

# Don't be obsessed with shares: Dr M

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KUALA LUMPUR, Sat. — Prime Minister Datuk Seri Dr Mahathir Mohamad has advised the people, in particular businessmen, to stop being obsessed with the share market.

He said today that many people were after the shares of companies listed in the Kuala Lumpur Stock Exchange in the hope of getting rich from the sales of those shares.

"But this (method of getting rich) is not true because prices of shares are unstable.

"They rise and fall, at times even falling below par value. And, when this happens, many will lose their money as is happening now," he said.

This situation, he said, would trigger off a chain effect, especially if the affected shares had been

mortgaged to banks.

The banks would then demand for more collateral when the values of these shares dropped, he said.

"Business is so sophisticated that prices of shares have become so unpredictable that one can be rich today and poor tomorrow," he added when opening the Koperasi Usaha Bersatu Malaysia Berhad (KUB) annual general meeting here.

Dr Mahathir urged businessmen, especially company directors, to go back to the basics of business, which he likened to the basics of running a sundry shop.

The basics, he said, were to buy goods as cheaply as possible and sell them at reasonable price.

The balance of the sell-

ing price and buying price after deducting the operation costs would be the profits, he said.

He said that effective management and reducing production costs while increasing sales of products were other basics to be followed.

"Because of the instability of share prices, I urge you to concentrate on the basics and not in the share market," added Dr Mahathir.

The Prime Minister also expressed concern over the overpricing of properties without consideration for actual market conditions.

Overpricing of a piece of property, he said, would make the owner feel rich.

"Actually, he is not because he is only rich in debts," he added.

On the recession, Dr Mahathir advised the people to be patient and wait for a return of the "good days."

"But while we wait, we must carry on with our work, strive to cut down costs and be prudent," he said.

He also explained why KUB did not recruit new members through campaigns similar to those organised by Amanah Saham Nasional (ASN).

He said that KUB could not afford such campaigns as they were costly, as discovered by ASN.

He said the cost of ASN's recruitment drive exceeded the total amount of shares bought by newly-recruited members.

As ASN was concerned with national interest, he said, it has to continue with the campaign.

What was important for KUB, he said, was to make it a profit-making organisation.

If it succeeded, such campaigns would be unnecessary because the people would come forward on their own to buy the shares.

"The greatest visible attraction is the profits of KUB," he added.