

Return to basics, traders told

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BUSINESSMEN should go back to producing goods and services and marketing them for profit, instead of speculating for riches on the financial market.

Datuk Seri Dr Mahir Mohamad likened the excessive speculation and risks businessmen have been taking lately on the market to building a "skyscraper without foundation. Sooner or later it is going to crash down... (and) it has on a world-wide unprecedented scale," he said.

Dr Mahathir said instead of waiting for the market to recover, businessmen should "go back to doing business, producing goods and services and marketing them at a profit."

The stock market, he said should only be used to raise capital for these enterprises.

Speaking to reporters later, the Prime Minister warned about excessive speculation in the stock

market with the hope of making quick and substantial returns.

"A financial market is only real and viable if it is backed by sound economic activity with growth assets and dividends," he said.

Dr Mahathir said that if one must speculate it must be done on a reasonable scale and there should be a relationship between prices and the performances of the enterprises.

Unrealistic and inflated prices of shares, which then collapsed, have resulted in many people losing their money — and some, their lives.

"People should know by now that speculation is dangerous. People have lost their money and they don't seem to learn from this lesson.

"It has happened twice now, once with Pan-El and now it has happened again. You can't blame other people for your loss and you can't blame the Government for it either," he said.