

MAHATHIR R R R

KUALA LUMPUR, JULY 18⁸⁸ (BERNAMA) -- MALAYSIA HAS DECIDED TO ALLOW FOREIGN STOCKBROKERS TO INCREASE THEIR EQUITY PARTICIPATION IN FIRMS HERE FROM THE CURRENT 30 PERCENT TO 49 PERCENT, PRIME MINISTER DATUK SERI DR MAHATHIR MOHAMAD SAID TODAY.

TO QUALIFY FOR THIS HIGHER LEVEL, HE SAID, THE FOREIGN STOCKBROKING PARTNERS MUST, HOWEVER, DEMONSTRATE THAT THEY COULD CONTRIBUTE POSITIVELY TO THE BUSINESS OF THE LOCAL STOCKBROKING COMPANIES.

THIS WAS IN LINE WITH THE GOVERNMENT'S DESIRE TO SEE CORPORATISED MALAYSIAN STOCKBROKING COMPANIES, ESPECIALLY THOSE WITH FOREIGN PARTICIPATION, CAPTURING A LARGE SHARE OF FOREIGN BUSINESS, HE SAID AT THE JOINT OPENING OF THE 10TH ASIAN SECURITIES ANALYSTS COUNCIL (ASAC) CONFERENCE AND THE 7TH EAST ASIAN STOCK EXCHANGE (EASEC) MEETING AT SHANGRI-LA HOTEL HERE.

THIS IS THE FIRST TIME MALAYSIA IS HOSTING THE ASAC CONFERENCE AND EASEC MEETING. MALAYSIA IS REPRESENTED IN THE TWO ORGANISATIONS BY THE RESEARCH INSTITUTE OF INVESTMENT ANALYSTS MALAYSIA (RIIAM) AND THE KUALA LUMPUR STOCK EXCHANGE.

THE ASAC CONFERENCE IS AIMED AT PROVIDING DELEGATES FROM AUSTRALIA, HONG KONG, INDIA, INDONESIA, JAPAN, NEW ZEALAND, THE PHILIPPINES, SOUTH KOREA, TAIWAN, THAILAND AND MALAYSIA AN UPDATE ON THE CURRENT SITUATION AND TRENDS IN LEADING STOCK EXCHANGES OF THE WORLD, WITH PARTICULAR EMPHASIS ON EAST ASIAN STOCK EXCHANGES.

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THE EASEC MEETING IS AN ANNUAL CONFERENCE OF 11 STOCK EXCHANGES IN THE REGION -- THE HONG KONG, SOUTH KOREAN, KUALA LUMPUR, MAKATI, MANILA, OSAKA, SINGAPORE, THAILAND, TOKYO AND TAIWAN STOCK EXCHANGES AND THE INDONESIAN CAPITAL MARKET EXECUTIVE AGENCY.

DATUK SERI DR MAHATHIR SAID IT WAS MALAYSIA'S EARNEST DESIRE TO DEVELOP HER CAPITAL MARKET TO BE COMPARABLE WITH THOSE OF ADVANCED NATIONS AND TOWARDS THIS END, SERIOUS EFFORTS WERE BEING TAKEN TO DEVELOP, AMONGS OTHERS, A MORE ACTIVE BOND MARKET, UNIT TRUST MARKET AND PROPERTY TRUST.

+THIS DESIRE STEMS FROM THE REALISATION THAT THE WORLD OF SECURITIES TODAY IS DEVELOPING AT AN UNPRECEDENTED RATE WITH GLOBALISATION. WE CANNOT AFFORD TO LAG BEHIND,+ HE SAID.

HE SAID THE GOVERNMENT'S RECENT MOVE TO CORPORATISE THE STOCKBROKING INDUSTRY WAS TO IMPROVE THE FINANCIAL STRENGTH OF THE INDUSTRY AS WELL AS TO ALLOW CORPORATIONS TO TAKE THE LEAD IN MAKING THE KUALA LUMPUR STOCK EXCHANGE (KLSE) AN INTERNATIONAL STOCK EXCHANGE THROUGH IMPROVING TECHNICAL EXPERTISE, PROFESSIONALISM AND WIDENING THE NETWORK OF OPERATIONS.

INITIAL ENTRY WAS REGULATED, WITH ONLY SELECTED CORPORATE PARTICIPANTS BEING ALLOWED IN THE STOCKBROKING COMPANIES TO ENSURE ORDERLINESS AND A SMOOTH TRANSITIONAL DEVELOPMENT, HE SAID. -- MORE
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HE SAID THE GOVERNMENT HAD ISSUED NEW LICENSES TO THE THREE LARGEST DOMESTIC BANKS IN LATE 1987 TO ENABLE THEM TO SPEARHEAD THE CORPORATISATION OF THE STOCKBROKING INDUSTRY.

+WHILE IT IS ACCEPTED THAT THE BANKS ARE RELATIVELY NEW IN THIS BUSINESS, WE HAVE REASON TO BELIEVE THAT IN TIME THEY WILL DEMONSTRATE THEIR LEADERSHIP IN THE INDUSTRY,+ HE SAID.

ON THE COUNTRY'S ECONOMIC GROWTH, DATUK SERI DR MAHATHIR SAID THE GOVERNMENT WAS QUITE CERTAIN IT WOULD EXPAND FASTER TO RECORD REAL GROSS DOMESTIC PRODUCT (GDP) GROWTH OF MORE THAN FIVE PERCENT THIS YEAR.

THIS OPTIMISM WAS BASED ON THE TURNAROUND OF THE MALAYSIAN ECONOMY.

SINCE THE FIRST HALF OF 1987, MOST MAJOR ECONOMIC INDICATORS HAD SHOWN STEADY IMPROVEMENTS IN RESPONSE TO HIGHER COMMODITY PRICES, STRONG EXTERNAL DEMAND AS WELL AS A GRADUAL RECOVERY IN THE DOMESTIC MARKET. THESE FAVOURABLE FACTORS HAD CONTINUED TO PREVAIL DURING THE FIRST HALF OF THIS YEAR.

+SOME ECONOMISTS HAVE EXPRESSED THE VIEW THAT THE GROWTH THIS YEAR MAY EVEN BE IN THE REGION OF SIX TO SEVEN PERCENT,+ HE SAID. -- MORE

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DATUK SERI DR MAHATHIR ALSO URGED THE DELEGATES TO ASSIST MALAYSIA IN PROMOTING THE KLSE TO FOREIGN INVESTORS AS IT NOW POSSESSED ALL THE NECESSARY FINANCIAL INFRASTRUCTURE AND TECHNOLOGY REQUIRED FOR DEVELOPMENT INTO A LEADING SECURITIES MARKET IN THE REGION.

+IN THIS RESPECT, WE ASK YOU TO PLACE BEFORE THE INVESTMENT PUBLIC INFORMATION ABOUT OUR MARKET OBTAINED FROM RELIABLE SOURCES AND NOT FROM QUESTIONABLE ONES,+ HE SAID.

HE SAID THERE HAD BEEN TOO MANY INSTANCES IN WHICH MALAYSIA HAD BECOME VICTIMS OF INACCURATE INFORMATION WHICH ONLY SERVED TO DEFEAT ALL EFFORTS MADE TO DEVELOP A HEALTHY CAPITAL MARKET. -- BERNAMA

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