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R E379 AAE  
MAHATHIR - BUMIPUTERA  
BM

KUALA LUMPUR, NOV 11 (BERNAMA) -- PRIME MINISTER, DATUK SERI DR MAHATHIR MOHAMAD TODAY SAID THE TARGET OF 30 PERCENT BUMIPUTERA PARTICIPATION IN THE CORPORATE SECTOR WOULD NOT BE ACHIEVED BY 1990.

BASED ON THE TOTAL OF \$98,000 MILLION WORTH OF SHARES AT PAR VALUE OF LIMITED COMPANIES AT THE END OF LAST YEAR, BUMIPUTERA INVOLVEMENT WAS ONLY \$19,000 MILLION OR 19.4 PERCENT COMPARED WITH 56 PERCENT FOR OTHER MALAYSIANS AND 24.6 PERCENT FOR FOREIGNERS.

LAUNCHING THE AMANAH SAHAM BUMIPUTERA (ASB) SCHEME HERE, HE SAID THE FIGURES CLEARLY SHOWED THAT BUMIPUTERAS WERE BEHIND COMPARED WITH THE ACHIEVEMENTS OF NON-BUMIPUTERAS.

HE SAID AS THE CHALLENGES AND STRUCTURAL CHANGES IN THE 1990S WOULD BE GREATER THAN THOSE FACED PREVIOUSLY, BUMIPUTERAS SHOULD BE MORE ACTIVE IN THE CORPORATE SECTOR.

+THE PRACTICE OF BEING FRONTS TO COMPANIES IS MEANINGLESS AND THIS SHOULD BE REPLACED BY SERIOUS PARTICIPATION THROUGH PERSONAL INVESTMENT AND DAILY MANAGEMENT,+ HE STRESSED. -- MORE  
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MAHATHIR - BUMIPUTERA 2 KUALA LUMPUR

HE SAID THAT SINCE THE BEGINNING OF 1985, CONTRIBUTIONS OF INDIVIDUAL BUMIPUTERAS IN THE CORPORATE SECTOR HAD EXCEEDED THAT OF FULLY-OWNED GOVERNMENT TRUST AGENCIES.

THE STAKE OF INDIVIDUAL BUMIPUTERAS IN THE SECTOR INCREASED TO 13 PERCENT COMPARED WITH THAT OF TRUST AGENCIES OF ONLY 6.4 PERCENT.

HE SAID A BIG PORTION OF INDIVIDUAL BUMIPUTERA STAKE WAS THROUGH INVESTMENT FUNDS LIKE THE AMANAH SAHAM NASIONAL (ASN) SCHEME, TABUNG HAJI AND THE ARMED FORCES FUND WHILE LIMITED AND PUBLIC COMPANIES DRAWING DIRECT INVESTMENTS FROM INDIVIDUAL BUMIPUTERAS WAS STILL VERY SMALL.

THE BUMIPUTERA SOCIETY MUST BE COURAGEOUS TO ACCEPT A MORE CHALLENGING ENVIRONMENT AND UNDERSTAND THE RISKS TO BE FACED IN THE ECONOMY AFTER 1990, HE ADDED.

+BESIDES DIRECT PARTICIPATION, BUMIPUTERA PARTICIPATION IN THE CORPORATE SECTOR THROUGH TRUST FUND SCHEMES MUST BE CONTINUED.+ HE SAID. -- MORE

1700MST 11 11 89

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MAHATHIR - BUMIPUTERA 3 KUALA LUMPUR

THE PRIME MINISTER DREW ATTENTION TO THE FACT THAT BUMIPUTERA ECONOMIC RESOURCES WERE STILL LIMITED AND THEY COULD NOT YET DEPEND ENTIRELY ON BUMIPUTERA ENTREPRENEURS OR THEIR MIDDLE CLASS TO ACHIEVE THE OBJECTIVE OF AN ALL EMBRACING PARTICIPATION IN THE COUNTRY'S ECONOMY.

AS SUCH MOBILISATION OF SAVINGS OF INDIVIDUAL BUMIPUTERAS THROUGH TRUST FUNDS SHOULD BE INCREASED, HE SAID.

HE WAS SATISFIED WITH THE PERFORMANCE OF PERMODALAN NASIONAL BERHAD (PNB) WHICH HAD SUCCEEDED IN HARNESSING BUMIPUTERA CAPITAL AMOUNTING TO \$6,000 MILLION THROUGH THE ASN SCHEME SINCE ITS FORMATION IN 1978 UP TO THE END OF LAST YEAR.

+THIS IS A VERY BIG FIGURE COMPARED WITH THE TOTAL BUMIPUTERA INVESTMENT THROUGH OTHER CHANNELS AND IT IS ALL THE MORE SIGNIFICANT BECAUSE NOT A SMALL PORTION OF THE CAPITAL IS FROM LOW-INCOME BUMIPUTERAS, INCLUDING THOSE LIVING IN THE RURAL AREAS,+ HE SAID.

DATUK SERI DR MAHATHIR SAID BUMIPUTERAS WILL FACE MORE CHALLENGES IN THE 1990S NOT ONLY IN TERMS OF INCREASING THE SIZE OF THEIR PARTICIPATION IN THE ECONOMY BUT TO ENSURE THAT IT WAS BETTER MANAGED. -- MORE  
1730MST 11 11 89

R E391 AAE

MAHATHIR - BUMIPUTERA 4 KUALA LUMPUR

THE PRIME MINISTER ADVISED BUMIPUTERAS NOT TO VIEW THE STRATEGY OF OWNING EQUITY MERELY AS AN OWNERSHIP BUT AS A PROFIT-MAKING BUSINESS VENTURE JUST LIKE THE BUYING AND SELLING OF OTHER GOODS.

HE SAID THE SHARE BUSINESS IS NOT AN EASY ACTIVITY. ADVICE SHOULD BE SOUGHT BEFORE ANY SALE OR PURCHASE IS MADE AND, IN THE EVENT OF DOUBTS AS TO THE PROFITABILITY, IT WAS BETTER THAT OWNERSHIP OF THE SHARES BE RETAINED

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MAHATHIR - BUMIPUTERA 5 KUALA LUMPUR

DATUK SERI DR MAHATHIR SAID PNB COULD +CONTROL+ THE WEAKNESS OF BUMIPUTERAS IN GRABBING SHORT-TERM GAINS BUT SUCH +CONTROL+ WOULD NOT MAKE THEM BETTER PLACED TO TAKE PART IN BUSINESS.

AS SUCH, BUMIPUTERAS SHOULD GET RID OF THEIR INCLINATION TO OBTAIN QUICK PROFITS WHICH WOULD MAKE THEM REMAIN WEAK AND RESULT IN THE AIMS OF THE NEP NOT BEING FULLY ATTAINED.

HE SAID EFFICIENCY IN MANAGEMENT COULD BE UPGRADED THROUGH TRAINING AND EXPERIENCE AND CAPITAL COULD BE PROVIDED IN THE FORM OF LOANS IF NECESSARY WHILE OPPORTUNITIES, PREMISES, LICENCES AND OTHER FACILITIES COULD BE GIVEN BY THE GOVERNMENT.

JUST AS THE SYSTEM OF MALAY AND NATIVE LAND RESERVES COULD NOT GUARANTEE THE ECONOMIC POSITION OF BUMIPUTERAS, DEPENDENCE ON THE GOVERNMENT AS THEIR +PROTECTOR+ ALL THE TIME WOULD NOT STRENGTHEN THE ECONOMY OF BUMIPUTERAS AND +BALANCE+ THEIR PERFORMANCE WITH THAT OF NON-BUMIPUTERAS. -- BERNAMA

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