

'TREAT THEM AS LONG-TERM INVESTMENT'

Bumis must hold on to shares: PM

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By AZAM ARIS

BUMIPUTERA individuals must treat shares in listed companies which are allocated to them by the Government as a long-term investment. Prime Minister Datuk Seri Dr Mahathir Mohamad said they should also hold on to these shares.

If they sell the shares for quick gain, the New Economic Policy's target of a 30 per cent Bumiputera corporate share will not be achieved, "even in a thousand years".

"They have to play their part. The Government has helped them, now they need to help themselves to achieve the NEP target," he told reporters in Kuala Terengganu yesterday.

Datuk Seri Dr Mahathir said when the Government allocated part of the Bumiputera portion of shares in listed companies to institutions, the individuals complained that it was giving these institutions too many shares.

"Some even feel that shares held by Bumiputera institutions

should eventually be transferred to them. But can we be sure that they will not sell the shares immediately?"

Addressing petty traders and hawkers at a seminar earlier, he said: "This has happened many times.

"The market value of a share is, say, \$2 but the Government sells to Bumiputera individuals and companies at a discount of \$1. Instead of waiting to sell at the market price, they disposed of the shares at \$1.80. They make 80 sen, and I don't mind if the capital gain is reinvested or used to expand their business but often it ends up as new cars or is used to pay for holidays," he said.

The Prime Minister said the Government introduced the Amanah Saham Bumiputera (ASB) to ensure that Bumiputera shares held by Amanah Saham Nasional (ASN) will be reinvested within Bumiputera circles.

Come January 1 next year, ASN shares will be priced ac-

cording to market value — based on the average price of shares held by ASN in companies listed on the Kuala Lumpur Stock Exchange.

Individuals will be able to make immediate capital gain but it will not be in the Bumiputera community's long-term interest if these gains are not reinvested. If the gains are used for other unrelated purposes, the Bumiputera's share of the corporate cake will be reduced.

However, there is already an arrangement where ASN investors can automatically transfer their shares to ASB on January 2, after they have enjoyed capital gain.

"ASB is there to buy back the shares. But how far can Bumiputera institutions continue playing a safety net role for the community? Bumiputera individuals have to play their part," the Prime Minister said.

The 20-year NEP, which expires at the end of the year, will

only see the Bumiputera community achieving 19 per cent of the targeted 30 per cent share of the corporate sector.

On the formulation of the post-1990 economic policy, Datuk Seri Dr Mahathir said the Government has yet to receive the final report from the National Economic Consultative Council (NECC).

He refuted allegations that the Government has preempted the post-1990 policy without taking into account the council's recommendations.

"We cannot accept all the council's recommendations as they have not arrived at a consensus following the withdrawal of the DAP and the Chinese educationists.

"These groups are the ones who made an early decision by pulling out from the NECC. They are the ones who are politically biased and not interested in solving the problems facing the economy," he said.