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KUB SET FOR NEW LEASE OF LIFE

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KUALA LUMPUR, Oct 25 (Bernama) -- Koperasi Usaha Bersatu Malaysia Bhd, the financially troubled co-operative established by UMNO, is set for a rebirth with the launching of its membership drive here next week by Prime Minister Datuk Seri Dr Mahathir Mohamad.

Datuk Seri Dr Mahathir, the I-JMNO president, will also be launching KUB's new logo and a campaign to inject fresh funds into the co-operative through a subscription drive among both existing and new members.

KUB Chairman Encik Hassan Harun is hoping that the drive will increase the membership from the present 112,000 -- nearly all of them UMNO members -- to 250,000 and that each member would subscribe at least \$1,000, thus raising \$250 million.

The capital injection will be badly needed by KUB which is in the midst of a multi-prong programme to restore itself to its past glory after 'accumulating huge debts and losses. KUB once controlled assets totalling \$1.5 billion but it also piled up crippling debts which soared to \$1.3 billion.

Encik Hassan, who is an UMNO Supreme Council member, told Bernama that the launching of the membership drive and logo was more than just a cosmetic repair job for an organisation which he described as suffering from a lack of public confidence in the past.

He said the launching would mark 'a new beginning, a new lease of life' for KUB which was set up in 1977 as the national co-operative of UMNO.

He was confident that the membership and *subscription drives would be successful as UMNO members had the capacity to subscribe \$1,000 each. The target of 250,000 members was a conservative figure 'because I don't want to set too ambitious a target'.

'With Malaysia's 'bouyant economy, I don't sek'why' we cannot invest the money productively', he added.

He has been moving quickly to re-organise the group's structure and organisation while also addressing pressing balance sheet problems since being named chairman of KUB on May 27 this year, succeeding veteran politician Datuk Harun Idris, who was not re-elected at the co-operative's annual general meeting earlier.

He has brought fresh blood -- all professionals -- into the management team, streamlined organisational control, identified the areas of activities to concentrate on, paid off trade debts and opened negotiations to reschedule KUB's bank loans.

Encik Hassan said he took over a group with accumulated losses of \$110 million but added nevertheless that the financial position he inherited had been better than he had expected.

However, the previous management, in order to reduce KUB's debts from \$313.5 million as at the end of 1987 to \$127 million as at October, 1989, had to sell off most of the group's assets which at one time included stakes in listed Idris Hydraulic Bhd and Selangor Properties Bhd as well as in Kwong Yik Bank Bhd.

However, KUB is determined to again control a listed vehicle. Encik Hassan said negotiations for the acquisition were taking place but added that he could not disclose detail-s at this stage.

+It (the acquisition) will take place very soon and once the company is acquired it will enable KUB to further re-organise its corporate structure and to launch the various activities which have been planned,+ he said.

Describing the scope of his task to revive KUB, he said the worst aspect of his +mission+ was that KUB had +huge liabilities and accumulated losses but no source of income or funding+.

+I discovered when I took over' that KUB had the image of a failure, an organisation burdened with debts and insurmountable problems. There was a lack of public confidence in KUB, including on the part of its members,+ he added..

+However, the mood of despondency among the staff which I noticed when I first came here has now given way to a great sense of excitement. It used to be a very depressed atmosphere here but now morale is up.+

He added that recent visits to KUB by UMNO leaders and by delegations from UMNO Youth and Wanita UMNO had been morale boosters because they demonstrated the commitment and sincerity by the UMNO leadership to revive KUB. -- Bernama