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Mahathir-shares

MAHATHIR SAYS FALL IN SHARE PRICES TEMPORARY

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KANGAR, Jan 13 (Bernama) -- Prime Minister ⁹⁴ Datuk Seri Dr Mahathir Mohamad said today the government believed that the current fall in share prices is temporary because Malaysian companies have a sound base.

Many companies in the country have shown good performance though their share prices may be falling now, he said when asked to comment on the drop in prices on the Kuala Lumpur Stock Exchange over the last two days.

Dr Mahathir said companies in Malaysia had strong fundamentals because many recorded huge profits, and he was convinced their share prices would rise.

Investors should not sell their shares now but should wait until the prices went up again, he told reporters after opening the Pens Travelodge here.

Asked about the enthusiasm with which the people, including civil servants, had played shares during the bull run last year, he said the interest shown was good but he advised them not to go to the extreme. -- more

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Mahathir-shares 2 Kangar

Dr Mahathir said the stock market was for the purpose of raising capital but if investors turned it into a game they themselves would suffer when prices fell.

It was for this reason that several days ago, he and several other leaders advised investors not to go to the extreme on the market, he said.

"The prices rise and fall according to demand. When there is injection of much foreign capital, the prices will rise but when the foreign investors sell the shares, the prices will fall. Therefore, we must be cautious," he said.

Replying to another question, Dr Mahathir said the government will not bail out investors affected by the price fall.

"No bail out. We have said earlier that we (the government) do not get anything from the stock market. There is no tax on capital appreciation. If they (investors) pay a tax, we can pay them back.

"But when they make money, they do not say they should help the government by paying tax. They make much money, many have become millionaires," he said. -- more

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Asked about the forecast that share prices will remain strong this year because there is talk this is election year, he said: "It has nothing to do with the election. I believe that if we hold on to the fundamentals of the performance of companies, we will not lose.

"We have to observe: If a company is making profits, the prices of its shares will rise again even after a fall. We must have confidence.

"I do not play shares, even on the weekends I don't," he said. --

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