

PM: Don't be swayed by the other bourses

By ROHAIZAD A. RAHIM

KUALA LUMPUR: The Malaysian equities market should not allow itself to be influenced by the trends of other bourses, Datuk Seri Dr Mahathir Mohamad said yesterday.

The Prime Minister said investors should instead take the nation's dynamic economic performance into consideration.

He said that at times, especially in the present move towards globalisation of the securities markets, events elsewhere would affect the local bourse.

"Despite the buoyant economic conditions, prospects of a sustained healthy gross domestic product growth (GDP) and profitability of Malaysian companies, the local market, in line with others in the region, has become quiet," he said.

He said while it was accepted that the performance of the global economy and trading partners should have direct

bearing on the nation's economy, exceptions should be noted and taken into consideration.

"Malaysia has been doing well in the last decade despite dismal performance by its major trading partners.

"This should have a positive influence on those who invest for the long term," he said before opening the *Asian Capital Market News: New Growth Frontiers* here.

Dr Mahathir also launched the Kuala Lumpur Stock Exchange Annual Companies Handbook.

Also present were KLSE chairman Datuk Nik Mohamed Din and Asian Securities Industry Institute chairman Lilia Clemente.

Dr Mahathir also noted that the stock market was vital to a country's economy as it not only allowed companies to raise funds for new businesses and expansion but also acted as barometer of the nation's economic health.

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High growth rate in Asia, says Dr M

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Dr Mahathir said the stock market allowed the people to gauge the level of confidence among investors in the country's economy and the direction it (the economy) was moving to.

On the Asian market, the Prime Minister said the spectacular growth of economies there had caught the attention of the world in the last de-

cade.

"The year 1993 saw an average growth of 8.4 per cent (in Asia) compared to the sluggish world GDP growth of 2.3 per cent.

"The triumphant development of Asian economies is a result of far-reaching economic reforms and liberalisation, large-scale investment in education and infrastructure projects and the increasing flow of foreign investments and intra-re-

gional trade," Dr Mahathir said.

He also said the economic growth in the region was now largely independent of the rest of the world.

On the local market, he said the Government's privatisation programme had contributed much towards its capitalisation.

Citing Tenaga Nasional and Telekom Malaysia, he said the two former government agencies now ac-

counted for over 30 per cent of the KLSE's capitalisation.

"The privatisation exercise and listing have played a major role in propelling the local bourse into one of the leading stock markets within the Asia Pacific rim."

Dr Mahathir cautioned investors against excessive speculation but make their investments based on fundamentals.