

29 OCT 1996

Parliament-Debate

GOVT MUST BE WISE WHEN APPROVING FINANCING OVERSEAS

KUALA LUMPUR, Oct 29 (Bernama) -- The government must make careful deliberation before allowing investment institutions to finance projects of Malaysian companies overseas, Chairman of the Government Backbenchers Club Ruhanie Haji Ahmad said today.

He said the government should be firm in handling the initiative of local investors who used local capital to invest overseas instead of finding outside sources to finance their projects.

"The BMF scandal, Carrion and George Tan affairs are still haunting Malaysians. Take a lesson from these episodes," he said when taking part in the debate on the Supply Bill 1997 in the Dewan Rakyat.

Ruhanie noted that Deputy Prime Minister and Finance Minister Datuk Seri Anwar Ibrahim while tabling the Budget for next year in the Dewan Rakyat on Friday had said local companies investing overseas were encouraged to borrow from overseas sources so that financing did not involve the outflow of local capital.

"However many Malaysian companies which had invested overseas or thinking of doing so had obtained funds from local institutions or striving to make the EPF, Tabung Haji, Khazanah Holdings as their business partners," he said.

Ruhanie said according to a report in the Sunday Times of Oct 27, YTL Corporation Bhd, a local company involved in power generation under the Independent Power Producer (IPP) scheme was striving to persuade Khazanah Holdings Bhd to buy a big equity in Consolidated Electric Power Asia Ltd (CEPA), a subsidiary of Hopewell Holding of Hong Kong.

He said according to an AFP report published in the The News Straits Times on Oct 25 Hopewell Holdings which owns CEPA had big debts and was looking for funds to overcome its problem.

He also asked whether it was true as stated by New Straits Group Editor Datuk A. Kadir Jasin in the Sunday Times of Oct 27 that YTL Corporation Bhd was striving to persuade Khazanah Holdings Bhd to back a venture in Hong Kong that carries a price of RM2.5 billion.

Ruhanie said government investment agencies belonged to the people and it would be more beneficial if they invested within the country rather than financing overseas' ventures like in Hong Kong whose future is still unclear.

He said if such things were happening, the government should explain the government agencies involved, the total capital and where it was invested and whether this practice was in line with the government's prudent financial policy.

On the IPP, Ruhanie agreed to the call by Prime Minister Datuk Seri Dr Mahathir Mohamad that the IPP have uniform rates for sale of electricity to Tenaga Nasional Bhd (TNB).

Ruhanie asked Telekom Malaysia and other telephone companies in the country to reduce telephone rates to enable more people to use computer multi-media services.

Datuk Salleh Tun Said (BN-Kota Belud) urged the government to develop the shipping industry in Sabah.

President of the Parti Bersatu Sabah Datuk Joseph Pairin Kitingan (PBS-Keningau) urged the government to try in court all those people being held under the Internal Security Act for forging Identity Cards.

He said through such a trial, bigger syndicates involved in forging

Identity Cards could be unearthed.

Datuk Mohd Zihin Hassan (BN-Larut) proposed that the government take over the religious schools to coordinate the schools' curriculum.

The Dewan will sit again tomorrow. -- BERNAMA

RAZ AAM