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Mahathir-PNB

PM SAYS GOVT NOT STUPID IN SELLING OFF PNB INVESTMENTS

By: Azman Ujang

KOUROU (French Guiana), Nov 14 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad today rejected the notion that the sale of companies or investments owned by Permodalan Nasional Bhd (PNB) would cause unitholders in PNB's unit trust funds to lose out.

He repeatedly stressed that the government was not that stupid.

The government had studied thoroughly the sale of PNB investments to individuals and such sales benefited PNB unit trust investors tremendously, he said.

"We took into account the interest of more than four million investors in PNB unit trust schemes and we did not in any way sacrifice their interest merely because some individuals wanted more opportunities for themselves.

"Don't think we are so stupid that we do not think first before doing something. We have done this for a long time and the establishment of the PNB was also our idea and we know what we are doing," Dr Mahathir told a news conference here after witnessing the launch into orbit of Malaysia's second satellite, Measat-2, at the Kourou Space Centre.

He said this in response to an article by New Straits Times group editor Datuk A. Kadir Jasin in his regular column "Other Thots" published last Sunday.

Kadir in his column wrote that no sales of shares or investments, especially the good ones, should be made unless there is a substantial capital gain and it in turn is invested in an equally good company or counter.

The writer also wanted PNB to take a look at the companies it owns otherwise it may risk losing some of them to predators.

He argued that it is important that those concerned should not only talk about distributive justice but practise it as well because nowhere else can distributive justice be better practised than in PNB.

Kadir also expressed concern that the unitholders of the various PNB unit trust funds may lose confidence in their investments and may withdraw, adding that the interest of millions of unitholders is more important than that of a few well-connected companies and corporate raiders.

Dr Mahathir, who responded to the comments at length, said some PNB companies were sold to individuals who have the capability because the PNB was a passive shareholder in those companies.

Since it did not take part in the management of the companies, it was not fully committed to the particular enterprise, he said.

On the other hand, he said, a person who invested his own money in a company and was responsible for its management would give his full attention to the company to ensure his investment returned a profit.

When the investment became profitable, the PNB also benefited as it normally retained a stake in the companies that it sold, he added.

Despite the stake retained by PNB being smaller, the returns were no less than that earned when PNB held a larger share.

Dr Mahathir said PNB also received very lucrative prices for the shares it sold which enabled it to invest in other sectors.

"We should remember that the sales were made to Bumiputeras. We talk about placing Bumiputeras on an equal footing with non-Bumiputeras but if Bumiputeras can only become managers to other people, we will not be able to produce Bumiputeras who are truly committed and truly skilful in

investments," he said.

"So if you don't want to see any other Bumiputeras except ourselves become rich, that is being selfish.

"I don't care which Bumiputeras become rich or if they become billionaires because of the help that the government had given, but the most important thing is that they must have the ability.

"We just don't give to any Tom, Dick and Harry who comes from the street and asks to buy PNB companies," he said. -- BERNAMA

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