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Be satisfied with EPF's 7.7pc dividend, says PM

KUALA LUMPUR, Sat. - Prime Minister Datuk Seri Dr Mahathir Mohamad today advised Employees Provident Fund contributors to accept the 7.7 per cent dividend declared for last year.

"It (the rate) is okay. It is more than before," he said, referring to the 7.5 per cent dividend for 1995.

"It is enough. Just compare it with other countries and see how much interest they pay," he said.

"All should accept it. When I was a contributor years ago, it was just two per cent. Now it is 7.7 per cent but people still complain."

Dr Mahathir was speaking to reporters after attending a Hari Raya gathering hosted by the Maktab Sultan Abdul Hamid Old Boys Association (Kuala Lumpur and Selangor) at the Malaysia Tourist Information Centre in Jalan Ampang.

The Prime Minister is the president of the association.

When announcing the dividend yesterday, EPF chairman Tan Sri Sallehuddin Mohamed attributed the 0.2 per cent increase in rate to higher returns from loans, equity and money market instruments.

The 7.5 per cent dividend for 1995 was the lowest in 15 years. The EPF cited poor returns and lower interest rates from its investments and loans as reasons for the lower dividend in 1995.

From 1980 till 1994, it had been declaring a dividend of eight per cent or more.

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