

08/09/1997

Dr M the nations's 'master tactician'

us; Adeline Ong; Asiah Bujang

PRIME Minister Datuk Seri Dr Mahathir Mohamad was yesterday labelled as the country's "master tactician" by Umno Wangsa Maju chief Datuk Dr Kamal Salih.

Kamal, in debating the resolution on economy at the last day of the Umno General Assembly, said the label aptly described Dr Mahathir who had "contributed" to the remarkable turnaround of the stock market and the strengthening of the ringgit last Friday.

Dr Mahathir had on Wednesday announced the setting up of a RM60 billion fund to shore up the weakened Kuala Lumpur Stock Exchange.

Last Thursday night after chairing the Umno Supreme Council meeting, Dr Mahathir announced the move to de-categorise the 100 index-linked counters of the Kuala Lumpur Stock Exchange Composite Index (KLCI) as 'designated' stocks.

The Government de-categorised the 'designated' stocks as it felt that all the measures introduced recently to prevent manipulation and short-selling in the stock market had been effective.

The KLCI finished 90.47 points higher at 821.59 on Friday, described by analysts as the single-day biggest index rise in per centage terms since January 14 in 1994 when the KLCI rose 10.12 per cent to 1134.14 from 1029.17.

The ringgit made a strong recovery on Friday to close at 2.9425/75 against the US dollar.

Times magazine front-paged an article on Dr Mahathir in its latest edition, labelling the Prime Minister as the country's "Master Planner." CNN Business News, in its report of the region's market performance, described the performance of the stock market as a "remarkable turnaround."

Kamal said the economic well-being of the country depends heavily on the performance of the stock market and the ringgit.

"Some three million Bumiputeras are directly and indirectly involved in the stock market through their investments in the Amanah Saham Nasional, Amanah Saham Bumiputera and private and states unit trust funds.

"They will be affected if the market and the ringgit are attacked by speculators such as US financier George Soros," he said.

In a layman's terms, Kamal - who is an economist - said when the ringgit weakens, the purchasing power goes down and the inflation rate goes up. This will affect investors decision-making process.

Meanwhile Abdul Azim Mohd Hamidi, who represented Umno Youth, called on the Malay corporate leaders to step forward in the fight against speculators.

He observed that the non-Malay entrepreneurs were the first to come forward when Dr Mahathir made the call to fight the speculators.

"What happened to the Malay corporate leaders?" he asked.

He also voiced of his dissatisfaction towards Permodalan Usahawan Nasional Berhad (PUNB), which has not done its fair share in assisting Malay entrepreneurs.

"PUNB should not expect small Malay companies to have the sufficient capital for the setting up of businesses. PUNB must remember that the problem is the lack of financial capabilities with the Malays. It is not a problem of not having the interest, experience or knowledge," Abdul Azim said.

Umno Kelantan representative Kamaruddin Nor suggested the setting up of an Entrepreneur Fund to help Bumiputeras venture in strategic sectors such as in high-tech, manufacturing, information technology, and food based industries.

"There should also be a networking between professionals and research centres such as Porim, Mardi, Mimos and institutes of higher learning so that information can be distributed," he said.

He also suggested the establishment of a "Permodalan Hartanah Nasional" to develop potential land in the Klang Valley, Sepang, Putrajaya, Cyberjaya, Johor, Penang, Kedah and Perak.

"This body can have a scheme where units can be sold to Bumiputeras. Later in the future, if a Bumiputera has the capacity to buy the land, let them do so because this can ensure that buying and holding power be maintained."

He also said that the agenda of 30 per cent equity for Bumiputeras in businesses has to continue. "Although Bumiputeras have accumulated funds of RM10 billion in Amanah Saham Bumiputera and Tabung Haji, it is still insufficient.

"Bumiputera equity in companies is only 20.6 per cent when compared with the non-Bumiputeras with 43.4 per cent, and the rest by foreign investors," he said.

Kamaruddin also suggested for more privatization programmes to establish more upper-middle class Bumiputera entrepreneurs. He said that there are still 439 agencies under State Governments and 302 under the Federal Government that can be privatized.

For these suggestions to be workable, there is a need for capital.

"There are a lot of hindrances when it comes to financing project. PUNB, for example, cannot provide 100 per cent financing. A potential entrepreneur will need to come up with 20 per cent of the cost of the project to start a business.

"It is much worse with banks because they can only finance between 60 and 70 per cent," he added.

He suggested that funds under the Venture Capital Fund be raised. According to him, there is only RM952 million with Bank Pembangunan and Malaysia Technology Development Corporation.

"If we compared this with Singapore, they have S\$5 billion (S\$1 = RM1.95) in a similar sort of fund. We have only 10 per cent of what Singapore has," he said.

(END)