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Dr M: Be cautious with your investments

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PRIME MINISTER Datuk Seri Dr Mahathir Mohamad yesterday advised Malaysian investors to be cautious when investing overseas such as in the Philippines to prevent them from being branded as greedy.

If they could not invest in the Philippines, they could invest their limited capital in other countries where investment opportunities were plenty, he said.

The Prime Minister was asked to comment on the Philippine Supreme Court decision to stop the Philippine Government from selling Manila Hotel, considered a national heritage, to Malaysian company Renong Berhad, which won a bid to acquire the hotel in 1995.

The court ordered that the hotel be sold to a Manila-based company, Prince Hotel Corporation, in line with the "Filipinos come first policy".

Dr Mahathir said: "I think Malaysian investors will be more cautious and will not invest too much in that country.

"Though there are many opportunities in the Philippines, there are also many investment avenues in other countries.

"We have limited capital. So if we cannot invest in the Philippines, we can do so elsewhere."

Dr Mahathir added: "We were actually invited to invest in the Philippines to help in the recovery of the country's economy.

"Now the Philippines' economy has been restored but whether it is due to the help of Malaysia or not, we do not know.

"Since now its economy has recovered, the country's view towards foreign investments may have changed slightly."

The Prime Minister said Malaysia did not invest in other countries purely for the sake of profits.

"We also invest in infrastructure which is needed by the countries concerned.

"Previously we also provided opportunities for other countries to invest in Malaysia so that we can both gain.

"In matters such as this, there cannot be a one-way relationship - there has to be mutual benefit."

In the case of the Philippines, he said "we are not merely investing for ourselves but also for the benefit of that country".

A 15-judge court voted 11 to 4 on Feb 3 to reject the winning bid submitted by Renong Berhad to buy a 51 per cent stake in the luxury hotel.

Renong, in partnership with ITT Sheraton of the United States, tendered 44 pesos per share against the 41.85 pesos offered by the Manila Prince hotel.

Citing the "Filipino First" policy enshrined in the Philippines Constitution, the court ordered the Government Service Insurance System, the hotel owner, to declare Manila Prince hotel the winner.

The Manila Prince hotel is owned by Filipino-Chinese tycoon Emilio Yap, publisher of publicly-held Manila Bulletin, the Philippines' largest circulated daily newspaper.

The court invoked Philippine nationalism in its decision, saying that even though Renong outbid Yap's group in 1995, the Philippines constitution required giving preference to qualified Filipinos over foreigners.

The court ruled that the 85-year-old historic hotel formed part of the national patrimony and hence could not be sold to any foreign entity such

as Renong.

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