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Khazanah to issue bonds worth RM3bn: Anwar

KHAZANAH Nasional Bhd, the Government's investment arm, will issue bonds worth RM3 billion from the middle of this month, Deputy Prime Minister and Finance Minister Datuk Seri Anwar Ibrahim says.

To be raised in stages through Islamic and conventional financing, and in other forms, the amount is part of Khazanah's RM30 billion contribution to the RM60 billion special fund announced by Prime Minister Datuk Seri Dr Mahathir Mohamad on Wednesday to shore up the Kuala Lumpur Stock Exchange (KLSE).

Dr Mahathir had said the fund will be used to buy shares from Malaysians at a premium while those sold by foreigners will be purchased at market value.

Speaking to reporters after opening the Umno Youth and Wanita assembly in Kuala Lumpur yesterday, Anwar said Khazanah will manage the buffer fund with another agency which will be appointed later.

On the quantum of premium that the shares will be bought from Malaysians, Anwar said it will be based on a "normal arrangement" between the contributors of the fund and the investors.

He dismissed talk that the premium could be as high as 30 per cent.

Asked whether the Government will use the Internal Security Act to deal with local market players who are involved in short-selling on the KLSE, he said at present the Government does not think it is necessary to do so.

"There is absolutely no necessity for us to resort to such measures because we are quite satisfied with what is happening now.

"In fact, we have an effective monitoring mechanism and have found no evidence that the local market players are breaching the rules.

"However, if they continue to break the rules and sabotage the country's economy, of course we would not rule out the possibility," he added.

On the rumours that several bankers and market players were under investigation, Anwar said:

"The rumours, as the Prime Minister had said, are nasty ... meant to destabilise ... it is an attempt to sabotage the economy and is politically motivated.

"We should ignore this talk about bankers being arrested and their licences revoked. This is very unhealthy. There is no basis whatsoever."

On the Government's call to several agencies as well as private investors to support the stock market, Anwar said it is important for everyone to assist the Government in addressing the problem.

"We need the involvement of all quarters, especially the financial institutions such as banks, stockbroking companies and trust funds."

Anwar also said the financial institutions should not put additional pressure on the companies and debtors who are currently facing a temporary setback.

"They should be more lenient while continuing to monitor the situation," he said, adding that the stockbroking houses, financial institutions, government agencies and regulatory authorities should not view the matter only in terms of their own operations but also on the basis of the entire macro-economic aspirations to generate confidence and more economic activities.

"They should not take haphazard measures that might undermine confidence as we also need to give a breather to the companies and investors who are facing temporary difficulties," Anwar said.

On the continued weakness of the ringgit against the US dollar, the Deputy Prime Minister said the Government is confident that the situation will be resolved in the medium or long term.

"I have always said in the longer run, the economy will have to be re-adjusted according to the fundamentals. We have great confidence ... we are taking drastic measures such as curbing imports.

"In fact, government agencies and companies have already been told not to import unless the (required) machinery and products are clearly not available locally.

"We have issued a directive to government agencies and departments not to import cars and instead use Proton cars," he said, adding that other measures will be announced when he presents the 1998 Budget in Parliament next month.

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