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Learning to save for a rainy day

THE dividend announced for the Amanah Saham Wawasan 2020 is an encouraging beginning indeed, to quote Permodalan Nasional Bhd chairman Tan Sri Ahmad Sarji Abdul Hamid. In 1981, the Amanah Saham Nasional announced its first dividend of 20 per cent and eight years later the Amanah Saham Bumiputera announced its maiden dividend of 12.8 per cent. Although not larger than the two earlier unit trust funds, the 10.1 per cent dividend for ASW's unit holders is more lucrative than the existing interest rates for savings and even fixed deposit schemes, and is also better than the dividend paid by the Employees Provident Fund. In the Government's drive to push up the national savings rate, the ASW's ability to pay such an attractive dividend certainly augurs well.

This attractive returns could also be viewed as yet another testimony to the success of the Amanah series of unit trust funds as a tool to achieve economic goals. Back when it was introduced, the ASN was aimed at improving Bumiputera's equity participation. Although the achievement fell short of target, it succeeded in proving its detractors wrong, so much so that when the ASB was launched, there was no longer a conflict of trust. The success of ASN and ASB paved the way for the Government to be even more creative and bold in its efforts to improve savings and inculcate in the younger generation of Malaysians the habit of saving for the future. The conception of ASW - meant for those between 12 and 29 years of age and open to all races - marked a new beginning in this effort, where the effort towards realising the nation's Vision 2020 to rank among the developed countries began to transcend the boundaries of colour and creed.

But for this effort to really show, there must be a conscious effort on the part of the unitholders to hold on to their investment, and for those eligible who have not participated to do so. ASW, like ASN and ASB, is a long-term investment scheme that is stable and profitable, and not a short-term financial instrument for quick gains or quick loss. Certainly, the unitholders, who are young - many of them children, need to be informed of the virtues of saving for rainy days. The ASN Berhad, the manager of the ASW, says more programmes are going to be held to improve awareness among the young. Parents are also a prime target; they will have to recognise the importance of investing in ASW and similar funds, for this is an investing in their child's future.

Certainly, there is room for improvement. Statistics show that less than 12.5 per cent, or 814,325 people, from 6.5 million eligible investors have bought ASW units. As at August 22, the ASW had attracted 333,491 Bumiputera unit holders with total investment of RM333.95 million and 480,834 non-Bumiputera unit holders with total investment of about RM1.25 billion. The amount which has not been taken up is still large: RM1.2 billion of the Bumiputera portion and over RM200 million of the non-Bumiputera portion. Prime Minister Datuk Seri Dr Mahathir Mohamad, announcing the dividends yesterday, expressed hopes that those eligible will buy ASW units and directly participate in the nation's booming economy.

With the maiden dividend, the ASW will no doubt attract more eligible investors who have probably been waiting on the sidelines to see how the scheme performs before committing themselves. They are certainly not too late. Ahmad Sarji has spoken against suggestions that the Government extend the age limit for the eligibility of ASW or to open the Bumiputera

portion to non-Bumiputra or to open the scheme for non-individual investors. Perhaps, the managers of the ASW should ensure that as many youths could participate. There are some 5.8 million young Malaysians out there who should be part of this grand scheme, and it would be a shame if in the end only a handful of them could take part. If the Government has to make it mandatory for every eligible youth - especially those in their schooling age - to buy the ASW, then why not? After all, this is going to be good for their future. And on their part, they could treat it as a national service.

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