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MALAYSIA WILL NOT MAKE ANY EXCEPTION TO FOREIGN INSURANCE COMPANIES

PETALING JAYA, Dec 13 (Bernama) -- Malaysia will not make any exception to foreign insurance companies operating in the country, with more than 51 percent stake, to divest their shareholding in order to enable an agreement to be reached on the World Trade Organisation (WTO) financial pact.

Prime Minister, Datuk Seri Dr Mahathir Mohamad said: "Malaysia's policy is very clear. Anything we have decided applies to everyone.

"We cannot make concessions now that Malaysia's stand is accepted and we will only allow 51 percent foreign ownership. It will not be fair to allow any one company to be exempted when other companies have conformed."

Speaking at a dialogue session at the "Private Sector Salute To Asean" conference which began today, he said Malaysia has actually softened its stand on the 51 percent foreign ownership by not reverting back to the 49 percent it has earlier imposed on foreign ownership in insurance companies.

"Today, we have decided that if anyone does not agree, we will still offer 51 percent but people cannot insist on 100 percent foreign ownership," he stressed.

The prime minister added that the level playing field in financial liberalisation is not an acceptable norm in Malaysia because "we need players who have the same size and age".

"Big foreign-owned financial companies can afford to lose (to market liberalisation) but not the local companies.

"If we lose, there will be mergers, acquisitions etc and in the end there will be no Malaysian banks, no Malaysian insurance companies and no Malaysian financial companies," Mahathir pointed out. -- BERNAMA

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