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PM: Institutions can buy shares in excess of previous limits

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PASIR PUTEH, Fri. - Prime Minister Datuk Seri Dr Mahathir Mohamad said local funds, including the Employees Provident Fund can, as of today, buy shares exceeding the limits previously imposed on them.

Replying to questions from reporters after closing the two-day Kelantan Umno/Barisan Nasional Convention, he said the local funds could now spend more to buy shares.

"In fact, we even allow banks to give higher loans for purchase of shares, which have now been manipulated," he said, when asked whether local funds including EPF which could only limit their spending to 15 per cent, be allowed to spend more.

Asked whether there would be a time-limit for the local funds to buy shares, Dr Mahathir said they would do so until the local bourse recovers.

The Prime Minister had announced yesterday that local funds would enter the share market in a big way including EPF, Permodalan Nasional Berhad, Pensions Fund and Khazanah Nasional Bhd.

To a question as to what action the Government could take against local banks and brokerages which manipulated the stock market, Dr Mahathir said that it could withdraw their licence or suspend them from trading.

"However, action will only be taken against those who continue to manipulate the stock market despite being given the warning," he said.

This includes those who continue to lend shares in their custody for a fee to the manipulators, Dr Mahathir added.

Asked whether there were three local banks which have been identified as being involved, the Prime Minister replied he did not know.

On a question as to whether the Government would throw out foreign fund managers who manipulated the stock market, Dr Mahathir replied, no.

"They can buy shares like any others by showing they have the shares and (that they) can deliver immediately.

"We will not allow them to buy or sell by borrowing the shares from banks."

On the July trade figures, Dr Mahathir said that the country did not do badly, adding that there was bound to be some deficit, especially now that the cost of imports has gone up due to the depreciation of the ringgit.

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