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PM calls on KUB to venture into IT activities

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PRIME Minister Datuk Seri Dr Mahathir Mohamad has called on the management of KUB Malaysia Bhd to find opportunities to venture into businesses based on information technology (IT).

He said a lot of business activities are being created based on IT, and not all of them are so advanced that they require skills Malaysians do not yet have.

"There has to be a start before success and expansion can be achieved," Dr Mahathir said when launching KUB Malaysia's new name and logo in Kuala Lumpur last night. It was previously known as Koperasi Usaha Bersatu Malaysia Bhd.

The Prime Minister said in venturing into IT-based business, deep and overall understanding is necessary to reduce the risks.

"There are still many business activities not yet ventured into by Bumiputeras. KUB can become the pioneer into these fields," he added.

Dr Mahathir said in business, management must identify opportunities all the time, and in Malaysia there are many business opportunities.

"Management should not venture into business activities which are already packed with other companies. They should be more innovative and venture into fields that are new in Malaysia, even though they may be something normal in developed countries," he said.

Dr Mahathir said cooperatives were first established to collect capital for business, because at the time there was no large Bumiputera company willing to accept small investments from individuals.

He said in cooperatives, the members themselves elect the board of directors and determine the management and business to be ventured into by the cooperative.

If board members, who are normally not professionals and do not work full time, but have efficient management and are smart businessmen, then the cooperative will benefit.

"But if those elected are only popular and have their own political motives then the cooperative will be very badly off," Dr Mahathir added.

He said the setting up of KUB 19 years ago signified the success and struggle of Umno in establishing a Bumiputera economy, because it was Umno that ventured into the programme for the good of Malays and Bumiputeras.

"With the corporatisation of KUB, it will be listed on the Kuala Lumpur Stock Exchange soon, and 135,000 KUB shareholders may get to see how capital management in the modern business world can multiply the value of their investments," Dr Mahathir added.

He said the Malays are no longer burdened with the negative belief behind the saying "Rezeki secupak tidak akan menjadi segantang" (if what it due to you is just that much, then that is all you will get).

"I believe KUB under the corporate-style management system will be able to expand even faster. However, everyone must realise that a business can also incur losses if it is managed by those who are inefficient or irresponsible," Dr Mahathir said.

In business, capital and management are two strengths that must be built up and strengthened. World-class companies like oil firms Shell and Esso, and technology companies like IBM and Microsoft, signify strength of capital and management that supports one another.

Dr Mahathir said trust in management depends on the company's performance as seen through its audited accounts every year. If this trust

exists, investors will be interested in the company's shares and its value will increase.

If KUB continues to successfully pioneer new business fields as it is doing now, and gives good returns to its investors, investor trust in KUB's performance will increase.

"In fact, KUB should widen the opportunity for investors to increase their investments now and not sell their shares for short-term gains," Dr Mahathir said.

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