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ANWAR-SHARE BUY

ANWAR SAYS GOVT IS LOOKING INTO SHARE BUY BACK PROPOSAL

KUALA LUMPUR, Aug 19 (Bernama) -- Deputy prime minister Datuk Seri Anwar Ibrahim said the government is looking into a proposal for the government to buy shares to support the Kuala Lumpur Stock Exchange (KLSE).

"We are looking into it," he said when asked by reporters on the matter after a ceremony where Anwar received RM10 million worth of contributions from local corporations for the Special National Fund (Dana Khas Negara).

Anwar said the move being considered by the government has to be looked at taking into account the requirements of Danamodal Nasional Bhd, Pengurusan Danaharta Nasional Bhd and the economy in general.

The two bodies were set up to recapitalise weak banks and buy over the banking system's non-performing loans respectively.

Prime Minister Datuk Seri Dr Mahathir Mohamad had mentioned the share buy back proposal and his statement had caused a positive effect on the KLSE today.

The KLSE's Composite Index jumped 8.81 percent or 27.81 points to 343.47 while the Emas Index added 6.78 points to 88.22 and the Industrial Index gained 49.56 points to 701.93 after Dr Mahathir's comment.

The Hong Kong stock market, which had been "attacked" by speculators recently, also picked up sharply today after the Hong Kong government provided buying support in the market.

Asked to comment whether the government was using Tabung Haji to support the local equities market, Anwar said, "It has been done before. It is up to the investment committee (of Tabung Haji. They can invest in +halal+ stocks."

He said Tabung Haji as well as the Employees Provident Fund (EPF) have been doing it and they have their own investment panels to invest in the stock market with the latter having done so in substantial amounts in the past.

It was up to the various institutions to decide the amount of investments they would put into the stock market based on their strength and potential.

Asked at what level the government would like the KLSE to be at, he said "A much higher level."

On the government mulling the moratorium on banks preventing them from selling shares, Anwar said: "The entire spirit of the corporate debt restructuring is not to allow the bank or the companies to take hasty decisions for margin calls or for selling, or the companies to resort to the court."

He said Bank Negara was in the final stages of negotiations to recapitalise banks via the Danamodal fund.

The central bank has identified the respective banks which need to be recapitalised but this was not an easy task as it involves pricing and due diligence.

As for Danaharta, he said the asset management company has entered into serious discussions with banks and companies and "hopefully, in a matter of days, we can expect positive announcements," he said.

When asked about the "shocking measures" announced by Dr Mahathir to revive the Malaysian economy, Anwar said, "We will announce the measures in due course."

Asked how soon this would come about, he said: "When the government is ready."

Anwar was again asked by some foreign reporters about his position in the Cabinet.

To that, Anwar replied, "I don't understand why people keep asking about it."

Anwar recently dismissed speculation of his imminent resignation by saying that he was still in charge as finance minister.

He had said that such rumours were baseless.

He also said that the government would continue with efforts to borrow from foreign sources soon, but declined to say when.--BERNAMA

AA/AD MFJ SHY