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Mahathir-Companies

APPROVAL FOR BUMIS TO SELL CORPORATE STAKE A TEMPORARY MEASURE, SAYS PM

KUALA LUMPUR, Feb 25 (Bernama) -- The government's proposal to allow non-Bumiputeras to acquire stakes in Bumiputera companies is for a temporary period and in certain cases only, Datuk Seri Dr Mahathir Mohamad said today.

The Prime Minister said that such a measure had to be taken to assist companies facing problems.

Asked whether this would mean that Malaysians would enjoy equal economic status, Dr Mahathir said: "Not quite, but we are facing problems. It is better to save something than to let things go destroyed completely."

He said that the decision also would not have much impact on the Bumiputera equity in the nation's economy.

"We always concentrated on quantity. But as I said, many non-Bumiputera companies are now owned by Bumiputeras although the names of the companies continue to be non-Bumiputera like several banks previously owned by non-Bumiputera and the big construction companies are owned by Bumiputeras," he said.

This meant that there was no difference in the Bumiputera and non-Bumiputera equity, he told reporters after attending a lunch in conjunction with Chinese New Year with members of the Cabinet at a leading hotel here.

Dr Mahathir said that the measure was also in line with the national development policy which placed emphasis on the quality of Bumiputera participation in the economic sector instead of quantity.

Asked as to how many companies are expected to be affected by the decision, he said: "I dare not say but we want to save them. Otherwise they will face big problems."

"If we disallow (non-Bumiputeras to buy Bumiputera companies), they (Bumiputera companies) will face problems...unable to repay loans and things like that," he said.

However, he said that not all the shares in the Bumiputera companies facing problems were allowed to be sold to non-Bumiputeras.

"In most cases, the Bumiputera majority is maintained...but we will allow them in certain cases," he said.

The Prime Minister said the measure was still a general decision and the government was studying the guidelines on it.

Asked whether foreign companies would also be allowed to acquire stakes in Bumiputera companies, Dr Mahathir said: "That we have not decided yet."

On previous proposals by several parties especially Umno members for the Permodalan Nasional Berhad (PNB) be allowed to acquire shares in Bumiputera companies facing problems, the Prime Minister said although the government allowed PNB to buy them, the capacity of the investment agency was limited.

Dr Mahathir said the government did not dismiss the possibility that the measure (to allow non-Bumiputeras to buy shares in Bumiputera companies) would face objections especially from among Umno members.

"There will be complaints but we can show that actually many Bumiputeras have now bought over non-Bumiputera properties, non-Bumiputera companies, non-Bumiputera banks...they now belong to Bumiputeras," he said.

Asked whether the government was not concerned that this might cause racial dissatisfaction, the Prime Minister said that he did not expect it to happen unless the Press play it up.

"So you (the Press) must play a role here and you must explain this thing fully. Anybody can stir up that feeling (racial dissatisfaction)," he said. -- BERNAMA

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