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Rafidah-Shares

BUMIPUTERA SHARES HAVE LOST RM1.4 BLN IN VALUE: RAFIDAH

KUALA LUMPUR, June 21 (Bernama) -- Shares of 82 companies allocated to Bumiputera companies and funds between 1996 and 1997 have lost RM1.4 billion in value as of last Thursday.

International Trade and Industry Minister Datuk Seri Rafidah Aziz, whose ministry allocated the shares, told reporters this after the closing of the Umno general assembly here today.

She said the shares of 76 of the 82 companies were below the initial public offer (IPO) price.

Of the 76 companies, prices of shares of 16 companies were 29 per cent below the IPO, 21 companies 30-49 per cent below the IPO, 35 companies 50-80 per cent below the IPO, while four have plunged more than 80 per cent below the IPO.

The remaining six companies' shares were still above the IPO, she said.

Prime Minister and Umno president Datuk Seri Dr Mahathir Mohamed also drew reference to the IPO at the winding up of debate at the assembly today.

Rafidah said: "We are talking about those shares given two years ago, don't talk about those given a long time before."

She said those who obtained the shares are genuine Bumiputera investors, and being serious investors they were still holding on to them.

Rafidah said one of the conditions for the special allocation was that the shares must be held for two years and the ministry's permission was needed to sell it off.

On the possible recovery of the share prices, she said it would depend on the performance of the stock market which in turn would be determined by the speed of the country's economy.

As such "let's focus on relevant issues of Bumiputera and not petty issues," she said.

On difficulties in getting loans from banks, Rafidah said the problems had already subsided though such difficulties may crop up for those "away from the capital."

She said the banks should support the industry because if they did not do so there would be a "boomerang" effect.

The lesser the loans they give out, the less business they do and this scenario would be reflected in their profits, she added. -- BERNAMA

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