

21 JUN 1998
RAFIDAH-IPO
BUMIPUTERA SHARES LOSE RM1.4 BLN IN VALUE

KUALA LUMPUR, June 21 (Bernama) -- Shares of 82 companies allocated to Bumiputera companies and funds between 1996 and 1997 have lost a total of RM1.4 billion in share value as at June 18, 1998, Minister of International Trade and Industry (MITI) Datuk Seri Rafidah Aziz said today.

These shares were allocated by MITI.

Rafidah told reporters after the closing of the UMNO General Assembly here that 76 of the 82 companies had their shares at below the initial public offer (IPO) price.

Of the 76 companies, prices of shares of 16 companies were 29 percent below the IPO, 21 companies between 30-49 percent below the IPO, 35 companies between 50-80 percent below the IPO while four have plunged more than 80 percent 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 the debate on the final day of the three-day assembly.

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, were still holding on to the shares.

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

On the recovery of the share prices, she said it would depend on the performance of the stock market which in turn will rely on the recovery 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, she said these problems have already subsided though such difficulties may crop up for those "away from the capital."

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

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

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