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Companies are helped for the good of the country: PM

Kamarul Yunus

THE Government does not practise favouritism when trying to help out major companies, Prime Minister Datuk Seri Dr Mahathir Mohamad said.

"We are not rescuing any one person in particular. We have to do it for the good of the country," he told reporters after opening the three-day Heli Asia '98 exhibition in Kuala Lumpur yesterday.

Dr Mahathir, who is also First Finance Minister, was asked if there might be a conflict between the Renong Group's debt restructuring proposal and the Government's policy of not providing guarantees for private sector investments.

"We are not guaranteeing anything. But if there is anything that we can do to help a big company like Renong, we should.

"One should not think of Halim (Renong executive chairman Tan Sri Halim Saad) alone. There are thousands and thousands of people whose income will be affected if Renong were to collapse. Many investors would also lose a lot of money," Dr Mahathir said.

Under Renong's proposed RM10.5 billion financial restructuring plan, announced on October 9, the group would issue bonds through an Infrastructure Development Corporation backed by the Finance Ministry.

On October 15, Dr Mahathir clarified that the Government had yet to approve the restructuring plan and was still studying the proposal.

He however said former Finance Minister Datuk Seri Anwar Ibrahim had agreed in principle to the scheme.

Under the restructuring plan, Renong, among other things, proposes to pay off the group's debts by issuing Government-backed bonds based on the future cash flow and tax receipts of Projek Lebuh raya Utara Selatan, a wholly-owned subsidiary of stablemate United Engineers (Malaysia) Bhd.

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