

23 APR 1998

FIRMS IN RECEIVERSHIP CAN BE RESUSCITATED, SAYS PM

KUALA LUMPUR, April 23 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad says several firms which have been placed under receivership can be resuscitated or turned around.

"I think some of these companies can be resuscitated or turned around... they are not in that great trouble," he said when asked on some public-listed companies being placed under receivership and the implications of these events on the wider economy.

He was speaking after meeting Burkina Faso's President Blaise Compaore' here today.

So far two listed companies have been placed under receivership, Wembley Industries Bhd and SCK Group Bhd.

Another two-listed companies had seen their subsidiaries placed under receivership. They are Uniphoenix Corporation Bhd's subsidiary, Asia Malt Sdn Bhd, and Associated Kaolin Industries Bhd's subsidiary, Caton Wood Industries Sdn Bhd.

Asked on the property and construction sector, which seemed to be experiencing a slowdown, he said the authorities were looking at ways on how it could be revived.

"We are also looking at interest rates," he said.

On Tuesday, the prime minister revealed that the government and the National Economic Action Council (NEAC) were studying measures to reduce interest rates and ease the burden on companies in paying off their loans.

Interest rates in the country had risen substantially with interbank-rates currently hovering at 11.05 percent from only 7.5 percent just before the currency crisis broke out in July last year.

As a result, lending rates, particularly for business loans, shot up to as much as 20 to 21 percent at the end of 1997, but the authorities somehow managed to instill some discipline in the market and influenced rates to average about 16 to 17 percent currently.--BERNAMA

MAM MR SHY