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MAHATHIR-ASSISTANCE

GOVT'S ASSISTANCE SHOULD NOT BE CONSTRUED AS FAVOURITISM, SAYS PM

SERI KEMBANGAN, Oct 27 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad today said when the government assists the private sector, it is not rescuing one person in particular.

Referring to the financial restructuring of Renong Bhd involving the issuance of bonds to be backed by the Infrastructure Development Corporation (IDC), wholly owned by the Ministry of Finance, he said: "We have to do this for the good of the country."

The government would do anything it could to help a big company like Renong, he said at a press conference after opening "Heli Asia 98" a dedicated helicopter exhibition covering civil and military operations organised by Shephard Conference and Exhibitions Sdn Bhd at Seri Kembangan near here.

Dr Mahathir also said: "One should not think of Halim (Tan Sri Halim Saad) alone as there are thousands of people whose incomes would be affected if Renong were to collapse.

"Many investors would lose lots of money."

Tan Sri Halim Saad is the executive chairman of Renong Bhd, a major infrastructure conglomerate.

However, the prime minister said the government is not giving a guarantee on all private sector investments, adding that "if we have to, we will help."

Renong announced a complex debt restructuring exercise which involved the issue of RM10.5 billion government-backed bonds to repay the group's debts.

IDC will back the bonds issued by Renong.

The move is to ensure various national and strategic infrastructure projects undertaken by the Renong group are not jeopardised and that debts owed to creditors will be paid.

The prime minister had earlier commented that the government was still studying Renong's proposed bond issue to restructure the group and that he has been given some information on it as it is something worthwhile to study.

"We haven't decided on whether to approve it or not," Dr Mahathir said about a fortnight ago after he chaired the Dewan Rakyat and Dewan Negara pre-council meetings.--BERNAMA

AD DVS/MR