

27 OCT 1998

Mahathir-Renong

GOVT'S ASSISTANCE NOT FAVOURITISM, SAYS MAHATHIR

KUALA LUMPUR, 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 Renong bonds backed by the Infrastructure Development Corporation (IDC), which is wholly-owned by the Finance Ministry, 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 helicopter exhibition of civil and military operations organised by Shephard Conference and Exhibitions Sdn Bhd here.

Dr Mahathir, who is also First Finance Minister, 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 was 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.

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 had been given some information on it as it was something worthwhile to study.

"We haven't decided on whether to approve it or not," Dr Mahathir said a fortnight ago after chairing a pre-council meeting of Barisan Nasional Members of Parliament.

-- BERNAMA

AD DVS/MR rn