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Mahathir-Companies/BM

GOVERNMENT TO STUDY WAYS TO ASSIST FINANCIALLY-TROUBLED COMPANIES

JOHOR BAHRU, April 18 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad said today that the government is studying ways including possible acquisition of stakes in good companies now facing problems due to the economic crisis.

Describing measures to save the companies as vital for national interest, he said that the companies faced problems not because of bad management but due to the depreciation of the Ringgit and the decline in shares prices.

"If it is necessary (to acquire shares in the companies) we have to consider that. We cannot allow projects to just go under simply because the companies' finances have been undermined because of the crisis.

"It is not their fault. The problem is that any company will suffer if the currency is devalued and their share prices are devalued," he said at a joint news conference with Singapore Prime Minister Goh Chok Tong after the official opening of the Malaysia-Singapore Second Crossing near here.

Recently, Economic Adviser to the Government Tun Daim Zainuddin has not dismissed the possibility of the government intervening to save financially-troubled companies like United Engineers Malaysia (UEM) and Renong Bhd.

In an interview by the writer of the book "Hidden Agenda", Daim, who is executive director of the National Economic Action Council (NEAC), said that while the government will not use public funds to bail out shareholders and lenders, it does not preclude the possibility of intervening where issues of public and national interest are at stake.

Asked to comment of Daim's statement, Dr Mahathir said that all companies, whether in Malaysia, Japan or any other country, would be affected if the currency in that country was devalued and the stock market were to collapse.

"So the government has got to take action to ensure that these good companies are able to survive and the project that are entrusted to them can continue for the purpose of saving the country," he said.

The government would also be unable to derive revenue from the affected companies which previously were among the greatest contributors towards the nation's rapid economic growth.

"Yes, in the national interest, we cannot allow these companies to go bankrupt, suffer losses.

"If we were to allow them, in the present situation, many of these companies will collapse and if they do not earn profits, then we will not be able to collect revenue," he said.

-- BERNAMA

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