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Senate-Anwar

GOVT WORKING ON BETTER MANAGEMENT ETHICS FOR CORPORATE SECTOR

KUALA LUMPUR, June 2 (Bernama) -- Deputy Prime Minister Datuk Seri Anwar Ibrahim said today the government is working on a set of guidelines to introduce more orderly and transparent management procedures and ethics in the country's corporate sector.

The current economic downturn had made it necessary to seek a more orderly conduct in corporate governance, he said in the Dewan Negara.

"While the management of the government is stepped up, the management of the private sector too must be looked at so that there are no irregularities," he said when replying to Senator Tan Swee Hueng.

Anwar, who is also the Finance Minister, said there was a need to give serious attention to the code of conduct in the private sector.

This is because companies including large corporate entities sometimes make announcements and decisions without considering responsibility and transparency, thereby affecting confidence in the country's economic system.

"The current experience teaches us to be more prepared to face any possibility by ensuring that we have good management ethics that must be observed by all.

"That's why, before it's too late and (investor) confidence erodes further, we must take firm action and ensure that even the biggest corporate citizen does not escape from the principle of responsibility," said Anwar.

The Deputy Prime Minister also said that anyone was free to buy shares if he had the capacity to do so.

"We also acknowledge Prime Minister Datuk Seri Dr Mahathir Mohamad's advice not to turn the share market into a casino, that is buying and selling shares based on strong speculation," he said.

He was responding to a question from Senator Mastika Junaidah Husin on the government's efforts to create opportunities for the people to be also involved in share transactions, and on the need to ensure there was no element of gambling in the stock market.

Anwar said the government had taken various steps to improve regulations and step up action against errant stockbrokers and brokerages, especially those who treat the stock market like a casino and cause investor confidence to be affected.

"I believe the Securities Commission will continue to take action and carry on with its probe (against such errant companies and brokers)," he said.

Anwar, added, however that there was a limit to the changes that could be introduced in this regard as the country's financial system must be acceptable at the international level.

"The changes made cannot ignore international regulations because the KLSE is tied to the international financial system and markets," he said.

-- BERNAMA

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