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Mustapa: Bumi equity protected

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PETALING JAYA, Thurs. - The proposed sale of stakes in Bumiputera firms to non-Bumiputeras is not going to affect the overall equity situation of Bumiputeras, Entrepreneur Development Minister Datuk Mustapa Mohamed said today.

"As Prime Minister Datuk Seri Dr Mahathir Mohamad had said it is a temporary measure," he said.

He said in terms of percentage the stakes involved were not large and the Bumiputeras could buy back the equity once the economic situation improved.

"It is not going to make a big impact on the overall equity situation of the Bumiputeras in the country," Mustapa said.

"In any case, we must ensure that Bumiputera interests will be protected."

Mustapa was speaking to reporters after presenting certificates to former employees of Kontena Nasional participating in the company's entrepreneur development scheme.

In Ipoh, Bumiputera business associations in Perak welcomed the Government's move to allow non-Bumiputeras to acquire stakes in Bumiputera companies but they said it should be done as a last resort.

They said the Government should exhaust all other avenues first before allowing non-Bumiputera companies to hold interest in ailing Bumiputera firms.

Perak chapter of the Malaysian Malay Chamber of Commerce deputy chairman Datuk Mohamad Al-Amin Abdul Majid said financially strong Bumiputera companies must be allowed to hold equity in companies having problems.

"If this is not sufficient, then Government investment arms like Perbadanan Nasional Berhad should be allowed to hold stakes."

Mohamad Al-Amin, however, said there were no cases of Bumiputera companies facing problems in Perak as most of them were categorised as small and medium-scale businesses.

"However, we are prepared to provide technical advice and help get financial assistance to ensure they remain in business."

Perak Malay Contractors Association chairman Muhammad Muhiyuddin Abdullah said the announcement by the Economic Adviser to the Government Tun Daim Zainuddin should be seen as a business decision.

"I see that the Government has weighed the pros and cons before making a decision and we support it," he said.

Muhiyuddin said a similar scenario occurred in 1985 during the economic slowdown when Bumiputera companies had to sell their business and equity to non-Bumiputeras.

"I myself had to sell off my assets to remain in business but bought properties when the economy picked up."

He said the statement by Dr Mahathir that the sale of the Bumiputera stake was just a temporary measure was very assuring.

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