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PM SAYS GOVT NOT FORCING BROKERAGE FIRMS TO MERGE

KUALA LUMPUR, April 20 (Bernama) -- The government will not force brokerage firms to merge although they are being encouraged to do so to emerge financially stronger, Prime Minister Datuk Seri Dr Mahathir Mohamad said today.

He said: "There is no force here, we do not want to cause unemployment and all that. This is because brokerage firms also have a role here and sometimes cannot be merged.

"However, they realise when they come together, they will not only become stronger but their financial position will be enhanced."

However, he pointed out that much consideration must be given before a merger can take place.

"Sometimes, when we force mergers they (the merged entities) cannot function properly.

"They cannot work together and there could also be a lot of unemployment," he added.

Speaking to newsmen after witnessing a signing ceremony between Pribena Construction Sdn Bhd (PCSB) and Selangor Hokkien Assosiation at Carcosa Seri Negara, he said if they decided to merge, it could be done by way of amalgamating with their parent companies, which in some cases are banks, or with other brokerage firms.

Yesterday, the prime minister said there were too many brokerage firms and finance companies and that they should all come together and become big companies so that they have greater ability to meet challenges.

When asked if the government preferred to see these brokerage companies merged, Dr Mahathir said: "(It is) not prefer...we do not prefer but should they decide to do so, it must not be done in a very unthinking fashion that will create problems."

As to a deadline for such mergers, the premier said it was up the finance ministry. -- BERNAMA

RAZ DVS SHY