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Protest over TNB takeover of Uniphone Cables

THE Malaysian Electric Cable & Wire Association yesterday claimed the proposed acquisition of Uniphone Cables Sdn Bhd by Tenaga Nasional Berhad would be counterproductive to the Government's policy of encouraging direct foreign investment.

Its chief executive officer Datuk Mohd Tuffile Nawab Din, in a statement released in Kuala Lumpur, said Tenaga Nasional's proposal would create a monopoly besides restricting the development of new technology and reducing the competitiveness of the industry in world markets.

"Some of our members are subsidiaries of companies listed on the Kuala Lumpur Stock Exchange, where foreign funds play a vital role in the capital and equity markets of the companies.

"If the acquisition is carried out, it could discourage further investment in the industry," he said in response to Tenaga Nasional's announcement to acquire a 60 per cent stake in Uniphone Cables, a telephone wires and power cables manufacturer last month.

The association has submitted a written protest to Prime Minister Datuk Seri Dr Mahathir Mohamad, his deputy Datuk Seri Anwar Ibrahim and several ministries including the Finance Ministry, International Trade and Industry Ministry and the Securities Commission.

Mohd Tuffile said the interest of the general public was also at stake if the acquisition of Uniphone Cables took place.

"The majority of shareholders of some local cable companies are Permodalan Nasional Berhad, Lembaga Tabung Angkatan Tentera and the Employees' Provident Fund, which look after the investment of a wider range of investors," he said.

He added with Tenaga Nasional reducing its capital expenditure budget from RM9 billion in 1997 to only RM4.8 billion this year, the demand for cables would be reduced substantially.

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