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Prudential Corp's CEO optimistic about Asia's economic future

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PRUDENTIAL Corp Plc, Britain's largest life insurance company, is confident of the future of Asia despite the present tough situation, says its chief executive officer Sir Peter Davis.

Asia is still important to the group and it will continue to offer innovative products, he said at the opening of Prudential Malaysia's latest branch in Damansara yesterday.

Sir Peter said that last year, half of the group's sales and profits were generated from outside the United Kingdom but conceded that Asian contribution to the group's bottomline has been affected in the second half of the year.

He also said that Asia's recovery largely depends on whether the Group of Seven (G7) countries could prevent a global recession.

"But the region remains good for investment," he said, adding that being a long-term investor, the group is committed to its investment in the region.

He said the large commitments the group is making in Asia is proof of the group's long-term interest in the region. Prudential Corp's investment in Asia is about US\$12 to US\$13 billion (US\$1 = RM3.80).

"Malaysia is a case in point. Having established a strong foothold in the life industry here, we will further strengthen our presence here," said Sir Peter at a news conference.

He added that Prudential Corp, which has to date invested close to RM1 billion in this country, is grateful to the Malaysian Government for relaxing the ownership regulations, which allowed Prudential Corp to increase its stake in its Malaysian unit recently.

With an investment of about RM735 million, Prudential Corp now holds 51 per cent of Prudential Assurance - formerly known as Berjaya Prudential - against 30 per cent previously.

The remaining 49 per cent is being held by a local company called Detik Ria Sdn Bhd (30 per cent) and Tan Sri Vincent Tan (19 per cent).

"The decision to increase our stake was one that made good business sense," he stressed.

Prudential Corp Asia Ltd chief executive Mark E. Tucker, meanwhile, said that in Asia, about 10-35 per cent of its funds, depending on the country, had been invested mostly in bonds and the rest in stocks.

Prudential Assurance Malaysia CEO Ng Keng Hooi said in Malaysia, Prudential Assurance has also been concentrating on the bond market.

"We always look and concentrate on high quality bonds," he said

Sir Peter is on a three-day visit to Malaysia until today. On Wednesday, he made a courtesy call on Prime Minister Datuk Seri Dr Mahathir Mohamad whereby he expressed Prudential Corp's commitment to the country and hopes that the local life insurance industry will continue to grow.

He also met with Bank Negara Governor Tan Sri Ali Abul Hassan yesterday afternoon.

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