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Action by SC was independently taken, says Dr M

Ashraf Abdullah; Patvinder Singh

KUALA LUMPUR, Wed. - Prime Minister Datuk Seri Dr Mahathir Mohamad today denied that the action by the Securities Commission against certain corporate figures was to flush out those linked to his former deputy Datuk Seri Anwar Ibrahim.

Dr Mahathir said the commission acted independently and did not refer any of its investigations to him.

When asked whether the SC's actions were only against those who were Anwar's friends, Dr Mahathir said:

"But Tony Tiah is (also) my friend."

Dr Mahathir was referring to the executive chairman of TA Enterprise Bhd, Datuk Tony Tiah Thee Kian, who was charged in court today with abetting businessman Datuk Soh Chee Wen to defraud Omega Securities Sdn Bhd of RM424,930,587.50.

He said this at a Press conference after launching the Second National Economic Consultative Council (NECC 2).

On July 24, two corporate figures, Datuk Ishak Ismail and Datuk Dr Wan Hasni Wan Sulaiman, were charged in the Sessions Court for offences relating to securities.

Ishak, 48, is the managing director of KFC (Holdings) Malaysia while Wan Hasni, 35, is executive chairman of Abrar Corporation Bhd.

On Aug 3, a former Mayban Securities Sdn Bhd dealer, Zairin Ismail, 35, was charged in the Sessions Court with three counts of short-selling 20,000 units of Transocean Holdings Bhd shares.

Dr Mahathir also said the country's Gross Domestic Product would see a positive growth during the second quarter.

"It will be between two and three per cent, I think...I can't confirm it."

On whether he thought there would be a massive outflow of funds after Sept 1, Dr Mahathir said if investors wanted to take out their money it was allowed as the country had enough foreign exchange to give them.

"We have enough reserves to pay them."

Asked if he thought there would be a nett outflow of funds, Dr Mahathir said there had been a nett inflow so a little outflow would not matter much.

On what measures had been taken to encourage money to come into the country, he said all necessary measures had been taken like making it easier for people to come and invest in the country.

"One has to remember that by selling down their shares some of these people had actually diminished the value of the shares.

"And if they had taken their money earlier like in September last year, they would have taken out very little. But because of the controls that we imposed, their shares have gone up even by 200 per cent.

"So if they cash in now they will be taking out a lot more money, by the grace of our Government," Dr Mahathir said.

Asked to comment on the recent falling share prices, Dr Mahathir said it may be due to brokers not having enough (financial) backing to cover purchases.

The Kuala Lumpur Stock Exchange's composite index was down by 28.82 points to close at 719.52 today. Beginning last month, the CI had steadily moved up. It reached an intra-day high of 870.39 points on July 5 but started to decline two weeks ago.

When a reporter said that the market had dipped four per cent which represented the lowest slide in the region, Dr Mahathir replied: "If you compare with the other countries they all went down.

"I told them long ago don't push up share prices. Share prices should reflect the performance of companies."

On the proposal to merge all 21 commercial banks, 25 finance companies and 12 merchant banks into six financial institutions, Dr Mahathir said stronger banks were needed and the proposal should be given a chance to take shape.

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