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A lot to do to avoid new crisis: AIG chief

THE economic and financial turmoil in South-East Asia has led to hardships and a lot remains to be done to prevent a recurrence of the crisis, says Mr Maurice Greenberg, chairman of the American International Group (AIG). In this connection, AIG has helped to persuade the Council on Foreign Relations, a New York-based think-tank, to form a special commission to recommend institutional changes, including possibly the creation of a new multilateral organisation to assist countries in temporary distress, he said.

"Throughout our long relationship with Malaysia, AIG has been a supporter of local investment opportunities. In the late-1980s, we led the first investment mission of potential business investors to Malaysia," Greenberg added.

He was speaking at the American International Assurance (AIA) 50th anniversary dinner and launching of the anniversary logo in Kuala Lumpur last night.

Noting that AIA's Malaysian assets now total RM4.7 billion, Greenberg said the company has invested in many projects in the country, including Labuan water supply, Labuan-Beaufort Interconnection electric transmission, and STAR Light Rail Transit.

In addition, over 20 per cent of the assets are invested in government bonds.

"It was just 50 years ago in 1948 that AIA opened a small life insurance office in what was then called Malaya. From that small beginning, AIA has grown to become a very important institution in Malaysia," he said. Earlier, Prime Minister Datuk Seri Dr Mahathir Mohamad congratulated AIA and said Malaysia is happy that the company is here celebrating its 50th anniversary.

"AIA has been a good corporate citizen. It has invested most of its earnings in this country. It understands that we are not just a market for it to exploit, using its superior skills and massive capital.

"It is a partner... it respects our laws and our policies. I am sure even in a globalised world, it will continue to do so," he said.

Dr Mahathir also said that AIA's long and steadfast commercial presence in Malaysia has clearly paid off for the company.

"Business is good business only if the clients also benefit. They will continue to contribute to the survival and continued success of the business in the future.

"A once-off business that profits by maximising returns at the expense of the clients cannot last. That the AIA is still around after 50 years defines in which category it belongs," he said.

Dr Mahathir said he is confident AIA will go from strength to strength, and the Malaysian Government is always ready to extend a helping hand.

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