

09/04/1999

20-25pc of KLSE capitalisation foreign, says Wong

Kamarul Yunus

BETWEEN 20 per cent and 25 per cent of the total RM402 billion capitalisation in the Kuala Lumpur Stock Exchange (KLSE) are foreign investments, Deputy Finance Minister Datuk Wong See Wah told the Dewan Rakyat yesterday.

"We expect that foreign capitalisation in the KLSE to be within the range of RM100 billion," he said in reply to a supplementary question by Fu Ah Kiow (BN-Mentakab).

To the original question by Datuk Lau Ngan Siew (BN-Sandakan), Wong said the KLSE had recorded its highest level at 618.54 points on January 22 this year, with the lowest so far at 262.7 points registered on September 1 last year.

"However the 600-point mark could not be maintained in the past two months due to, among others, uncertainties in the economic and political situation in the region.

"The sentiment among the foreign investors was that there is still investment risk due to those uncertainties," he said.

In reply to a question by Dr Tan Seng Giaw (DAP-Kepong), Wong said Pengurusan Danaharta Nasional Berhad (Danaharta) has taken over non-performing loans (NPLs) amounting to RM21.695 billion from 45 banking and financial institutions as at March 15 this year.

This represents 20 per cent of the total NPLs (based on the six-month classification) in the banking and financial sector that Danaharta had taken over, he said.

A large portion of the NPLs were obtained from Sime Bank Bhd and Sime International Bank (Labuan) Ltd totalling RM11.622 billion.

The remaining RM10.073 billion worth of NPLs were bought over from 43 banking and financial institutions, he said.

Danaharta currently has a total capitalisation of RM15 billion which was obtained from government equity worth RM1.5 million, government loans such as the Employees Provident Fund and Khazanah Nasional Bhd (RM3.5 billion), and RM10 billion from issuance of bonds.

On Danamodal Nasional Bhd (Danamodal), Wong said, the special purpose vehicle to recapitalise banks has obtained funding of RM16 billion, out of which RM5 billion was from Bank Negara, issuance of bonds (RM10 billion) and equities (RM1 billion).

He said at least 14 banking institutions, with NPLs worth RM6.2 billion had been identified for recapitalisation.

To a supplementary question by Datuk Ahmad Zahid Hamidi (BN-Bagan Datoh), Wong identified the property and manufactursectors as those facing acute NPL problems.

* PRIME Minister Datuk Seri Dr Mahathir Mohamad will not move to his new official residence in Putrajaya if the materials used in the construction of the building are 100 per cent imported, Domestic Trade and Consumer Affairs Minister Datuk Seri Megat Junid Megat Ayob said yesterday.

Megat Junid said Dr Mahathir had informed him that he (Dr Mahathir) would not want to stay in the new house if the local materials and equipment used by contractors in the construction do not add up to more than 70 per cent.

"I have received a lot of complaints on this and I want to stress that the Government is monitoring the situation to make sure that the materials used in the construction of the official residence are not 100 per cent

imported," he said in reply to a question by Nik Amar Abdullah (PAS-Pengkalan Chepa).

* THE Government had paid some RM6.5 billion in royalties to Sabah and Sarawak for the production of oil and gas from 1975 up to February this year, Deputy Minister in the Prime Minister's Department Datuk Ibrahim Ali said.

Replying to Chiew Chin Sing (BN-Bintulu), he said RM4.6 billion were paid to Sarawak, and the remaining RM1.9 billion to Sabah.

Under the agreement pertaining to the royalties, he said the Federal Government will pay royalties of 5 per cent to the petroleum-producing states.

* Speaking to reporters at the Parliament lobby yesterday, Second Finance Mustapa Mohamad said the Government plans to impose a surcharge on its officers found to be responsible for delaying development projects. Mustapa said the Finance Ministry is studying the proposed surcharge, which he described as "one way to prevent delays in the implementation of projects".

"The aim is to speed up projects ... stimulating government projects to achieve zero shortfall in the utilisation of development expenditure for this year," he said.

Mustapa said the Government is mulling over the move following grouses from contractors that the two-week grace period given to them to start approved projects is too short.

"Discussions had been held with the Works Ministry and contractors and views from all quarters had been taken into account," he said, adding details of this new policy would be announced in a week.

However, he declined to say whether the Government would extend the grace period, saying it is vital that work for projects already approved start as soon as possible.

To ensure speedier implementation of projects, Mustapa said ministries and Federal Government agencies have been given the power to approve tenders for projects worth RM30 million and below without having to refer to the Finance Ministry first.

Previously, he said projects costing RM15 million and above needed the approval of the Finance Ministry before the go-ahead could be given.

(END)