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Foreign fund managers impressed, says adviser

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THE recent meetings between some 40 foreign fund managers, Prime Minister Datuk Seri Dr Mahathir Mohamad and First Finance Minister Tun Daim Zainuddin, as part of the Malaysia Investor Roadshow was "a complete success," says Salomon Smith Barney managing director and head of Asia-Pacific Fixed Income, Mr Stephen Roberts.

Roberts, in a written summary to Daim, who is also Special Functions Minister, said the roadshow succeeded in providing the fund managers with an "invaluable opportunity to see Malaysia, its productive workforce, advanced infrastructure and the resolute economic reforms which have been implemented since the onset of the crisis".

A press statement on his report was released by the National Economic Action Council (NEAC) yesterday.

Roberts also said that investors were impressed with the Government's high-impact economic policies. Sentiment, he said, is turning positive. "Definitive progress has been made in correcting the perceptions among a core group of international investors," he added.

He also said the dedication showed by the senior level of Government coupled with corporate interest clearly refuted some beliefs that the Government is not responsive towards concerns expressed by investors and the negative headline developments outside the country.

During the roadshow, the investors were assured by the significant progress achieved on the financial restructuring front, with the institution of Danamodal, Danaharta and Corporate Debt Restructuring Committee.

The statement said these agencies' authority to restructure the financial system and the prevailing "First-Loss" principles were also viewed positively.

NEAC said according to Roberts' summary, there is a common theme among the investors that the Government has struck a balance between domestic economic welfare and foreign investor interests.

The firm measures implemented by the Government since the crisis has proven that the policies will not always favour international investor interests, nor local political ones, it added.

On the corporate front, the fund managers were impressed at the resolute and focussed manner in which Malaysian companies handled the economic crisis.

"Conservative provisioning measures, the streamlining to core businesses and general reduction in capital expansion plans have provided comfort to investors," said Roberts.

He also reported that investors are not of the opinion that political issues will jeopardise the stability of the economy.

"However, there remain a handful of investors who are sufficiently concerned that they will refrain from participating in a new offering. However, this remains a minority and will not stop Malaysia's return to the global markets."

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