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PNB to offer new products: Chief exec

Fauziah Ismail

NEW policies and demographic changes in the country are providing Permodalan Nasional Bhd (PNB) the opportunity to create new products. Group chief executive Encik Hamad Kama Piah Che Othman said, however, PNB has to first study "the demand in the local environment" before it can introduce the new products in the market.

The privatization of institutions of higher learning and provision of medical services, for example, will enable PNB to introduce schemes relating to education and healthcare for Bumiputera and non-Bumiputera investors.

"PNB differs from the other unit trust funds in that whenever we create a fund, we look at the size of the fund itself. As such we have to study the demand first and see how big we can go," he said in Kuala Lumpur yesterday at a seminar organised by PNB for the media.

In another presentation, Pengurusan Pelaburan Amanah Saham Nasional (ASN) Bhd chief operating officer Mohamad Ishak Hamidun said policy changes such as the investment savings scheme for members of the Employees Provident Fund has been a boon to the local unit trust industry.

He also said the increase in the number of aging people affords the industry the opportunity to create more retirement funds.

The preference for "halal" products among consumers, he said, can also lead to the creation of more Islamic funds.

As at February this year, there were 97 funds in the country, of which three belong to PNB, 69 are from private funds and the other 25 are government-backed.

PNB has managed to mobilise about six million investors with an investment value of RM27 billion, RM2.4 billion and RM1.5 billion for its three benchmark unit trusts, namely the ASN, Amanah Saham Bumiputera (ASB) and Amanah Saham Wawasan 2020, respectively.

Each month, PNB gets an average of between 25,000 and 30,000 investors and the value of new investments from the unit trust schemes totalled RM8.0 billion last year.

Hamad believes that the local unit trust industry still has a lot of potential.

He added that now is the best time to invest as "the (stock) market (performance) has improved. Just because we are buying now, it does not mean that we are going to reap the harvest at the end of the year ... maybe three years down the road we can get better returns.

"We believe in long-term strategies but these cannot be formulated without long-term money," he added.

He said that although PNB, like other companies, was affected by the economic downturn, its long-term strategies, especially the diversification of its portfolios, helped to cushion the effects.

"We have a balanced portfolio of investments, as for example, oil palm plantations like Guthrie and Golden Hope as well as export-oriented companies.

"We managed to sustain ourselves despite the economic downturn and at the end of the day, our investments were okay," he said.

He is confident the company will be able to give "reasonable returns" to investors at the end of the year as the economy is improving.

PNB, he said, will be organising an "Investment with PNB" week to "better acquaint itself with the investing public".

Prime Minister Datuk Seri Dr Mahathir Mohamad will launch the event on June 9.
PNB will not only introduce its unit trust schemes at the event but will also see the participation of some 100 companies in which it has investments.

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