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Analysts' high-flying days are back again

Ahirudin Attan in London

LONDON, Tues: Malaysian analysts used to be frequent flyers, until the crisis. This week Mr Nicholas Tan, vice president of a securities firm associated with Merrill Lynch, goes on a whirlwind tour that will take him to Amsterdam, Milan and this English capital.

"Three, four (meetings with) investors a day ... I'm not on vacation, let me assure you," Tan says.

Yep, looks like they're rolling again.

Smith Zain Securities Sdn Bhd, which hires Tan, is one of many Malaysian securities firms finding the need to send out their people to meet foreign investors. There are a lot of queries accompanying the renewed interest.

Tan, who has seen the abrupt end of Malaysian analysts' high-flying days after the devaluation of the baht in July 1997, will be seeing a lot of airports in the next few months. With the crisis over, foreign investors are asking questions again about Malaysian companies.

So it is that this week investors from Britain will gather to look at the opportunities Malaysia is offering.

Datuk Michael Yeoh, chief executive of the Asian Strategy and Leadership Institute (Asli), stresses that the events this week must be interpreted also from the perspective of Malaysian companies having rediscovered their zest and self-confidence to emerge from the Asian crisis and seek the investment pound, dollar, euro, yen and what-have-you.

Prime Minister Datuk Seri Dr Mahathir Mohamad's visit to England this week underscores this renewed interest on the part of the foreign investors, the British particularly, and the renewed vigour of businesses back home.

With him on the trip is the largest ever Malaysian business delegation to Britain, which includes chief executives of blue-chip companies on the Kuala Lumpur Stock Exchange (KLSE).

Among them are Arab-Malaysian Banking Group chairman Tan Sri Azman Hashim, MUI Group chairman Tan Sri Khoo Kay Peng, Antah Group managing director Tunku Imran Tuanku Ja'afar, Telekom Malaysia chairman Datuk Radzi Mansor, Kuala Lumpur-Kepong executive chairman Datuk Lee Oi Hian, Mahkota Technology chairman Tan Sri Arumugam, and YTL Corp managing director Tan Sri Francis Yeoh.

Also involved with programmes lined up in conjunction with the Prime Minister's visit are Perusahaan Otomobil Nasional chief executive officer Tunku Tan Sri Mahaleel Tunku Ariff, Tenaga Nasional Bhd chairman Datuk Dr Jamaludin Jarjis, Berjaya chairman Tan Sri Vincent Tan, Talam Corp chairman Tan Sri Chan Ah Chye, Bank Rakyat chairman Noraseah Mohamad, and KUB chairman Datuk Hassan Harun.

Some of these people almost didn't make it through the crisis. Now they are back here, and with the relatively weaker pound many of them will take the opportunity to do some shopping at Harrods in Knightsbridge or the popular Oxford Street, as Malaysians used to do quite regularly before the difficult times.

But Asli, which is organising the conference on Malaysian-British Partnership for the 21st Century here, starting Thursday, said none of them would have chosen London's drab and wet autumn for a holiday.

Yeoh, who is also a principal adviser at SBB Securities Sdn Bhd, said the conference will bring more than 200 British investors for meetings and dealings with the Malaysians.

He attributed the good response to the three-day conference to "renewed confidence" on the part of both the Malaysian companies as well as the British investors.

"They (the Malaysian businesses) are coming out once again to attract foreign capital. It's a sign of renewed confidence, on the part of the British investors (attending the conference) too," he said.

More than 80 business leaders are participating in the conference. Malaysian speakers include Bank Negara Malaysia governor Datuk Dr Zeti Akhtar Aziz, Multimedia Development Corp chairman Tan Sri Dr Othman Yeop Abdullah, Kuala Lumpur Stock Exchange executive chairman Datuk Azlan Hashim, and Minister in the Prime Minister's Department Datuk Rais Yatim.

The Prime Minister will deliver the keynote address and open the conference. British Trade and Industry secretary of state, Mr Stephen Byers, will make an opening speech.

Standard Chartered Plc chairman Sir Patrick Gillam, Deutsche Bank London chairman Lord Levene, and Asia House chief executive Melville Guest are among Britain's industry leaders who will moderate the conference's sessions.

Britain, like many other industrialised countries, has seen investment flow into Malaysia and other crisis-hit countries in South-East Asia drop to a trickle since 1998. Britain is one of Malaysia's largest investors and has, due to historical ties, some of the oldest corporate interests in Malaysia. Malaysian High Commissioner to the UK, Datuk Amir Jaafar, said there have been a lot of queries on business opportunities in Malaysia of late.

"No major problems there (with regards to UK investors' confidence in Malaysia). There has been a lot of interest ... I've been checking with Mida (the London office of Malaysian Industrial Development Authority) and they say there have been a lot of queries," he said.

The progress being made by Malaysia's Multimedia Super Corridor, for example, is attracting the kind of attention the Government had been expecting all this while, Amir added.

But not everything is as well as it used to be just yet. An analyst on this trip said his client, one of the bluest chips on the KLSE, used to attract a packed room of investors jostling for seats to listen to sales pitches and to size up the opportunities being laid on the table. This time around, the same company has to be happy to be meeting fewer than a handful of prospective investors.

"And the chief executive of this Malaysian company had to go out and meet them (the investors). It used to be that these investors would come to the hotel to seek a meeting with the company's executives," said the analyst.

Slowly but surely, though, these foreign investors will realise that to wait is to risk losing out.

Malaysia's turnaround is well documented, if only for the manner it was strived for and accomplished. The London-based Financial Times, probably the most respected financial newspaper in the world, used to criticise Malaysia for the selective capital controls the Government introduced two years ago.

This week Dr Mahathir will field questions by Richard Lambert, the FT editor, which will give FT readers an opportunity to make further assessment of the Malaysian economic recovery.

So far, everybody has been quite impressed. ABN Amro, Credit Suisse Boston, the World Bank, the International Monetary Fund, the Organisation for Economic Cooperation and Development and the Asian Development Bank have been more bullish than the Malaysian Government in their forecast for gross domestic product growth. They are likely to respond likewise when

the National Budget unveiled at the end of this month shows much better numbers than initially projected.

"It's brilliant, the way Malaysia has put the crisis behind it. If Malaysia and its companies can convince investors that it's time to return, it should make very good and very rapid progress from now," said an observer.

The significance of the Prime Minister's visit this time around is not lost. British Prime Minister Tony Blair will be meeting him. Five weeks ago when Dr Mahathir was here, it was only for a brief stop.

This time his schedule is packed with meetings with investors and visits of business sites. On the eve of his arrival (Dr Mahathir arrived early Tuesday morning), the Malaysian High Commission in Bryston Square was still making amendments to the Prime Minister's schedule as a result of the inclusion of last-minute requests.

The Prime Minister will dine and dialogue with business leaders in London, share his ideas with the Dons of Cambridge, and meet Malaysian students in Manchester.

He has met Muslim intellectuals and is expected to visit the Lotus plant where Proton is said to be making last-minute preparations to unveil to the UK investors - and the world - Malaysia's first automotive engine.

The business leaders accompanying him won't be half as busy but they will be sufficiently occupied with their own meetings during and after the Asli conference.

And by the time Smith Zain Securities' Tan arrive in London later this week after his own exhaustive schedules in Amsterdam and Milan, there will be more investors to go out and meet. Next time around, perhaps, he will only need to wait at his hotel and those investors will come knocking on his door.

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