

10 MAR 2000

Daim-Indonesia

INDONESIA KEEN TO KNOW MORE ABOUT PNB

By: Syed Jamil Jaafar

JAKARTA, March 10 (Bernama) -- The new Indonesian government under President Abdurrahman Wahid is looking into the possibility of emulating Malaysia in having a people's unit trust scheme like the Amanah Saham Nasional (ASN) or Amanah Saham Wawasan (ASW).

Towards this end they are interested to learn about the workings of the Permodalan Nasional Berhad (PNB) and study how such a body could be set up here, Finance Minister Tun Daim Zainuddin said today.

He said Malaysia welcomed Indonesia's interest and was willing to assist as best as it could.

Speaking to Malaysian reporters, Daim said Indonesian officials were invited to come to Malaysia to study at first hand its unit trust schemes.

Daim, Primary Industries Minister Datuk Seri Dr Lim Keng Yaik, Minister of International Trade and Industry, Datuk Seri Rafidah Aziz and Foreign Minister Datuk Seri Syed Hamid Albar had accompanied Prime Minister Datuk Seri Dr Mahathir Mohamad for an overnight official visit which ended today.

Daim said he told Indonesian officials that for unit trust schemes and their parent body like PNB to be successful, there must be big and profitable companies in which to invest.

"Only in this way can we guarantee that investors will be paid dividends," he said.

Daim said that Abdurrahman's administration was also interested in learning more about Malaysia's New Economic Policy (NEP) as it hoped to implement a similar affirmative action policy programme to assist the pribumis (bumiputeras).

The Finance Minister who attended two meetings between the two sides yesterday said Indonesia was keen to have road links connecting Sarawak, Brunei and East Kalimantan in Borneo.

Such road links would open up new areas for development. As the matter involved three countries, it would be taken up under the Brunei-Indonesia-Malaysia-Philippines (BIMP) - East Asean Growth Area (EAGA).

At present Sarawak's main connection to Kalimantan is through the Tebedu-Entekong border, southeast of Kuching.

Daim said that as Indonesia was also opening up more areas for development, it was interested to share Malaysia's expertise in developing oil palm plantations.

On Indonesia's idea of promoting Brunei as the region's second international offshore financial centre, he said Malaysia was willing to support it if it was beneficial to all sides.

"We have to study this as there may be implications on Labuan which has already been endorsed by BIMP-EAGA as the only international offshore financial centre for the region," he said.

Furthermore it was not easy to set up such a centre and at the same time there already existed such centres in Singapore, Hong Kong, Bangkok and Tokyo.

On doing business in Indonesia in the new situation, Daim said the opportunities were there but rules must be made clear by the government if it wanted to attract foreign investors.

It would be difficult for investors to put their money here if rules were changed every now and then.

The Indonesian government was aware of this and seemed to be taking

serious effort to address the problem.

-- BERNAMA

SJ AAM