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MAHATHIR-SHARES

BUMIS MUST COOPERATE TO ACHIEVE 30 PCT EQUITY TARGET

KUALA LUMPUR, April 3 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad said Bumiputera equity targets in the corporate sector will never be achieved as long as those who are given shares sell their units.

"As such, Bumiputeras must cooperate to achieve this target and non-bumiputeras should cooperate with Bumiputeras," he told reporters at a press conference after tabling the Third Outline Perspective Plan (OPP3) at Parliament House here today.

Under the OPP3, the equity target for Bumiputera was still 30 per cent as they only managed to achieve 19.1 per cent equity under the Second Outline Perspective Plan.

Asked whether the share allocation exercise needed to be reviewed, Dr Mahathir said it was reviewed before after individuals given shares resold their interest.

As a result, the government set up Permodalan Nasional Bhd which led to a decrease in Bumiputeras selling their shares.

Individuals were also given shares but were limited to company employees or those of companies which had synergies.

However, this time, the sale of such shares was due to the recession where many Bumiputera firms faced problems and as such, they could not be faulted.

On whether the 7.5 per cent growth target under OPP3 could be achieved, he said Malaysia could achieve it, contingent upon the world economic recovery.

"Being a trading nation, it could not grow if the world market is not doing well," he said.

However, he expressed confidence that Malaysia could repeat the good economic growth achieved in the past, and that had it not been for the financial crisis of 1997/1998, the country could have achieved a higher than expected growth.

The Prime Minister was also asked to comment on a foreign newsreport quoting an international rating agency as saying that Malaysia's economy is below that of Indonesia.

To this, he said that is their right to say so but he described many such international rating agencies as "stupid."

This is because all predictions made about Malaysia have been wrong and those who read such agencies' predictions would only cheat themselves, he said.

"A number of magazines, agencies claim to know what the world economy is going to be like, (but) on Malaysia, they have been consistently wrong.

"They have repeatedly said right from the beginning that Malaysia will never grow, (would) forever (be) unstable, that the Malays will cheat the Chinese, rob the Chinese and for any slight problem, we will never be able to recover," he said.

And all the time, Malaysia has shown them that they were wrong, said Dr Mahathir.

As for OPP3, he said the government was outlining to the people what it intended to do to help them and the economy in the next 10 years.

He said the government has shown that when it planned for the last 10 years, the route towards a developed country status worked very well.

Had it not been for the recession, Malaysia would have achieved higher

growth, he added.

On the establishment of a national unit trust fund, he said it would probably be an extension of Permodalan Nasional Bhd.

-- BERNAMA

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