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Dr Mahathir launches another PNB unit trust scheme for education

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KOTA BARU, Fri. - Prime Minister Datuk Seri Dr Mahathir Mohamad today launched the Amanah Saham Didik (ASD), another product to be introduced by Permodalan Nasional Bhd (PNB).

Managed by Amanah Saham Nasional Bhd, the unit trust offers 300 million units to Bumiputera investors at a minimum unit price of RM1. The maximum allowed for individuals is 100,000 units.

Dr Mahathir said by investing in Amanah Saham Didik, Bumiputera could use the profits from their investments to support their children's education.

"Many people think that all education fees for Bumiputera students should be borne by the Government. However, when you invest in ASD, you can help your children, irrespective of whether your child receives scholarships or not.

"This is a good habit (investing) and you do it not because you are asked to do it but out of your own awareness."

Dr Mahathir also said by investing in unit trusts introduced by PNB, Bumiputera could rest assured their investments would not fall to non-Bumiputera.

He said more than seven million Bumiputera have invested in PNB's unit trust products.

The investments, he said, had benefited not only "cronies of the Government" but also allowed individuals to own equity in large companies.

"This is one way where we can distribute the nation's wealth. The other approach is to provide scholarships," he said, adding that many people had benefited from the New Economic Policy and not just "cronies of the Government".

He said with more than 300 companies in which PNB held equities, it allowed PNB to participate in the management of each of the companies.

PNB, he added, had successfully pooled more than RM36 billion in Bumiputera investments. It was also managing the funds well and had so far paid RM31 billion in dividends.

"Therefore, PNB appoints those capable to represent them on the board of directors with the objective of not only observing the activities but also to improve their expertise in running a business.

"They are not employees of PNB but they contributed their energy and time voluntarily. Many of them have become directors but it is not true that they receive big financial rewards.

"We gave shares to certain Bumiputera, especially those who are credible and have proven themselves. This allowed us to create Bumiputera corporate figures. Otherwise, they will only own small amounts of shares and will not be able to get involved in managing big companies.

"That is why we provided opportunities to certain Bumiputera, not because they are friends or family members but because they are capable. However, some succeeded and some failed."

Dr Mahathir said the economic recession tested their resilience and many failed to the extent where the Government had to buy back the shares to prevent the companies from becoming bankrupt.

"It is not our intention to (pilih kasih) but foreigners are not happy with our NEP, and the activities of PNB."

When asked by reporters if the slow response of Bumiputera to unit trusts was due to doubt, poor understanding of such funds or whether they

could not afford to invest, Dr Mahathir said it was a combination of those factors.

"Maybe, they were not thinking about their future. They were only thinking about the present. If they want to make profits, they want it immediately. If they invest (in unit trust funds), they will only see some profit after a year. The profits could be more or less.

"So because of that, they feel that if they have some money, they will start a business with the hope of getting more profits, faster."

Dr Mahathir said Bumiputera should follow the non-Bumiputera who had responded quickly to investment opportunities in unit trust funds for long-term gains.

He said Bumiputera were slow to respond despite given the opportunities created for them to acquire the wealth through investments.

"I am sad. When we created opportunities for non-Bumiputera, they invested immediately and to the maximum limit, but when similar opportunities were presented to Bumiputera, they were slow to respond.

"I hope this attitude will change. The opportunities are to enable the Bumiputera to take some responsibilities in the country's development."

Also present were Datin Seri Dr Siti Hasmah Mohd Ali, PNB chairman Tan Sri Ahmad Sarji and Kelantan Menteri Besar Datuk Nik Abdul Aziz Nik Mat.