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Tabung Haji funds

INVESTMENT is never an easy task under any situation but what is important is that those who make investment decisions should do so with professionalism, extreme care and only after careful thought. Prudence is especially required when we are investing money that belongs to the public because the trust placed on us to manage the funds carries with it a heavy responsibility and accountability.

It is therefore particularly saddening that Tabung Haji, which is entrusted with the significant role of collecting and managing funds from the public for their pilgrimage are found to be lacking in their investments.

The agents and custodians of public funds such as Tabung Haji should be judicious in their management of the funds under their control. They should always ensure that the funds are managed well and professionally so as to give good returns. They should remember that any failure on their part to manage the funds professionally would ultimately reflect on the Government which the people have elected to protect their interests and well being.

Prime Minister Datuk Seri Dr Mahathir Mohamad has pointed out that Tabung Haji's investment panel would be revamped to make it more professional and its investment strategies changed to provide better returns. One is dismayed to learn that investment returns declined because the investment panel was composed of more people who were not that professional. Obviously, if Tabung Haji's investment panel had continued to be filled by more professionals, its investments would have continued to provide as good a return as previously, or even better. The poorer returns of Tabung Haji's investments because of lack of professionalism and investments which were not so wise, will hopefully not cause the public's confidence in Tabung Haji to be affected. One wonders what were the circumstances that led to the changes being made to the investment panel which resulted in more of its members who were not professionals.

The investments made by Tabung Haji had in the past covered a range of sectors including plantations and industries. Through prudent and wise management and investment, it managed to rake in good returns on its funds. The regional economic and financial crisis of 1997-98 would have adversely affected Tabung Haji's investments, as in the case of many other corporations and funds. But the impact of any economic slowdown can be minimised if the funds are invested by professionals who are trained to look at investment risks and invest money prudently to cushion the effects of any unexpected economic and financial changes. Of course, even professionals can be wrong in their investment decisions but because they taken into account the risk factor, the impact of making a wrong investment decision is far less serious than an unprofessional investment decision that does not calculate the risks.

The changes that will be made in Tabung Haji's investment panel and its shift in investment strategy are significant steps in the right direction to enable it to give better returns on its investments. It is a clear message to those who are custodians of public funds that any slack in professionalism in managing and investing such funds would not be tolerated. Tabung Haji's image has also not been helped with the report of a RM7.1 million fraud case. The culprits who perpetuated such a fraud should not go unpunished and should be dealt with appropriately under the

law.

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