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Mahathir-Tabung Haji

ACTION TAKEN TO STRENGTHEN TABUNG HAJI, SAYS PM

KUALA LUMPUR, March 24 (Bernama) -- The government has taken steps to overcome weaknesses in the Pilgrims Fund Board (Tabung Haji) by changing its management and investment panel last year, Prime Minister Datuk Seri Dr Mahathir Mohamad said today.

Commenting on reports about Tabung Haji suffering losses in its RM200 million investment made through fund management company Metrowangsa Asset Management Sdn Bhd, he said: "We have already taken action. We have put in new people, new management."

Speaking at a news conference at the RMAF base in Subang, near here, on his return from an overseas visit, Dr Mahathir said the investment issue was an old problem.

"This is an old problem which we are making effort to resolve," he said.

Parliamentary Secretary to the Prime Minister's Department Datuk Noh Omar had said earlier that Tabung Haji first invested RM50 million with Metrowangsa in the middle of July 2000 and increased its investment by RM150 million at the end of April 2001.

Tabung Haji's new investment panel, which was appointed in September last year, has reviewed the fund board's investments and found the investment in Metrowangsa to be very risky.

As a result, Tabung Haji gave notice to Metrowangsa on Oct 19 last year to terminate their agreement, and Metrowangsa reportedly agreed to return all its investments.

It was said that only RM120 million has been returned so far, causing Tabung Haji to sue Metrowangsa and currency trader Ahmad Hassan for recovery of the remaining RM80 million.

Asked whether Tabung Haji should change its investment strategy to reduce risk, Dr Mahathir said that before the economic downturn many people had made investments without careful consideration.

"Before the downturn, people were making investments like crazy. When hit by a market fall, everyone realised that was not right," he said.

The prime minister was also asked why should Tabung Haji's fund be managed by another party when it had its own investment panel.

"That is why we changed the management," Dr Mahathir said.

On another issue, Dr Mahathir said the National Union of Teaching Profession (NUTP) had misunderstood the situation when it alleged that there was racial segregation of students in 210 schools.

"It's a misunderstanding because we have (subjects on) Moral and Religious Studies. During these periods, we have to separate students," he said when asked to comment on an independent committee's findings that the NUTP's allegations were baseless.

"I think they (NUTP) misunderstood. I think we can clear this up with them," he said.

In its report, the committee said there was nothing to show that there was a hidden agenda in streaming students and that students were not deliberately segregated by race.

Dr Mahathir said it was not a government policy to segregate students by race.

"Actually, we want students to be together. It is other people who object as they do not want students (of different races) to study together," he said.

In PORT DICKSON, Deputy Prime Minister Datuk Seri Abdullah Ahmad Badawi urged all quarters to cooperate by providing information on the losses incurred by Tabung Haji.

"I hope anyone approached for information on the losses will come forward to cooperate.

By having the necessary information, we can make a right decision," he told reporters after closing the Young Malay Intellectuals seminar.

The three-day seminar was organised by the Centre for Intellectual Promotion and Technological Advancement (Cipta) here today.

It was attended by 90 excellent students from local tertiary learning institutions.

-- BERNAMA

APG RP TS