

06/03/2002

Strive for excellence, says PM

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KUALA LUMPUR, Tues. - The corporate sector must strive for excellence and good governance.

Prime Minister Datuk Seri Dr Mahathir Mohamad said while improvements were necessary to strengthen the corporate environment, it was also vital for the sector to complement the Government's efforts to achieve social, economic and national objectives.

"Although the corporate sector is primarily profit oriented and seeks to serve shareholder objectives, participants in this sector must remember that it is society and its prosperity which make their business possible and profitable.

"No good business is possible in a poverty stricken, unstable society," Dr Mahathir said.

Speaking at the Kuala Lumpur Stock Exchange Corporate Awards 2001 ceremony at a leading hotel here, Dr Mahathir, who is also the Finance Minister, said the Government did not subscribe to the socialistic welfare state concept where businesses were discriminated against, but it did believe business had a responsibility towards society.

Addressing the 600-odd corporate leaders present at the function to honour well-managed public listed companies, he also defended the Government's role in regulating business practices.

He explained that the market would not be free from corruption of power if exclusive power was accorded without any government intervention.

"Lately we have the Enron case (in the US) where apparently there was massive fraud and fixing of accounts, and there are other cases which make nonsense of the belief that the markets can regulate themselves and even discipline governments.

"The market needs the Government because the market is all about making profits while the Government is concerned about the well-being of the people and the country as a whole," he reasoned.

Touching on the financial crisis and economic downturn of 1997-98 and how it affected local businesses, Dr Mahathir said the Government moved in at the time to rehabilitate several major public corporations to safeguard the interest of the people.

He said though the move was castigated by the international Press, it was the most appropriate measure.

"If there is any bail-out at all it is the bail-out of the workers, the minority shareholders and the public in general," he explained, adding that criticisms of the Government had faded away now, especially after countries closely associated with the foreign Press took similar "bail-out" action to save their own companies.

Dr Mahathir also praised the local corporations for their role in ensuring the success of government-initiated activities which were aimed for the mutual benefit of all.

The KLSE Corporate Excellence Award 2001 for companies listed on the Main Board went to Public Bank Berhad and Malayan Banking Berhad while Computer Systems Advisers (M) Berhad and Globetronics Technology Berhad grabbed the award for Second Board companies.

Also present were Deputy Finance Minister Datuk Dr Shafie Salleh and KLSE executive chairman Datuk Mohd Azlan Hashim.

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