

Govt will not inject funds into unit trusts

STAR 10 JAN 2003

BY SA'ODAH ELIAS

PUTRAJAYA: The government will not inject funds into unit trusts that are not making money, including state-run ones, just to ensure high dividends for investors, Datuk Seri Dr Mahathir Mohamad said.

The Prime Minister said some state-run unit trusts lost money as a result of the sluggish market.

"That is the nature of investment and business. We cannot expect profits all the time," he said.

He said he could not understand investors who expected high returns always.

"When the trusts that they invest in suffer losses, they expect the government to step in and inject money just so that they can continue to get high dividends.

"Of course we cannot do

that," he said at a question-and-answer session after addressing a seminar, "Competing in the Globalised World: Becoming a World-Class Player" at the Putrajaya Marriott Hotel yesterday.

Dr Mahathir also said 13 million tourists visited Malaysia last year, the highest ever, despite foreign reports and advisories cautioning people against coming here because "Malaysia was fraught with danger."

Those reports and advisories, he said, were not based on reality but perception.

The same was true for the stock market, which was still suffering because of misinformation in reports and analyses that were mostly based on perception.

"For example, the Kuala Lumpur Stock Exchange composite index does not reflect the performance of the com-

panies listed.

"The shares of most of them are under-valued and all this is due to misinformation."

Asked on Malaysia's success in weathering the economic crisis, he said it could not be attributed to just capital control alone because there were many other measures taken.

"If any lesson is to be learned from our experience in managing our economy during that bleak period, it is how we managed our micro economy."

Earlier, in his speech, he again called on developing nations to stand together and fight for a fairer global trade.

He also urged the rich nations to help poor countries develop economically.

"If the developing countries stand together, we can prevent the World Trade Organisation from adopting rules in favour of the rich and the strong."