

FIC told not to force firms to restructure after sell-down

BY NICK LEONG

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KUALA LUMPUR: The Cabinet has directed the Foreign Investment Committee (FIC) not to force companies to restructure following a sell-down by local shareholders.

MCA president Datuk Seri Ong Ka Ting said the directive was in line with the spirit of the stimulus package announced by Prime Minister Datuk Seri Dr Mahathir Mohamad in May.

"One of the things that was announced by the Prime Minister is that the FIC should not stick to old practices. If a company has already fulfilled its equity conditions, the FIC

should not insist to restructure whenever there is a sell-down.

"This is to encourage more foreign investment into the country, especially in the KLSE (Kuala Lumpur Stock Exchange)," he said after opening the MCC City and Hai-O Supermarket at Ue3 Plaza in Cheras yesterday.

Ong, who is Housing and Local Government Minister, said the FIC could not expect all major shareholders of public-listed companies to hold onto their shares forever.

"Naturally, some shareholders - bumiputras or non-bumiputras - will want to sell their shares at some point.

"The Government cannot

hold the company responsible if one of its partners decides to dispose of its shares," he said.

The FIC, he added, should adapt to the changes made during the recent economic stimulus package quickly.

Earlier, Ong said multi-racial companies held an advantage over those owned by the same race because it would be easier for them to operate in more countries.

"The Malay partners could tap into the Indonesian market. The Chinese in China and the Indians in India," he said.

Together, he said, they could tap into the markets of nearly half the world's population.