

New measures to boost bumi equity

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KUALA LUMPUR: Datuk Seri Dr Mahathir Mohamad yesterday announced two new measures to increase bumiputra equity ownership when tabling the mid-term review of the 8th Malaysia Plan in the Dewan Rakyat.

The prime minister said the government will set up a new investment institution, *Dana Harapan*, to mobilise bumiputra resources.

"This will enable the introduction of innovative unit trust products and further expand investment opportunities for bumiputras," he said.

In addition, he said, the government will award at least 60% of procurements and contract works in government projects to responsible, competent

and capable bumiputras.

"More efforts will be needed to provide opportunities to bumiputras in selected sectors if the target of at least 30% bumiputra equity ownership by 2010 is to be met," said Mahathir who will retire today after leading the nation for 22 years.

At a press conference outside the Dewan, he took bumiputra companies to task for depending on government contracts. "They are afraid to get contracts from the private sector maybe because they might not succeed."

He said the government is not taking a step back on the bumiputra quota, adding that if there is no quota, bumiputras will not get anything.

Mahathir, who is finance minister, told Parliament efforts to increase bumiputra equity ownership during the remaining 8th Plan period will become more challenging particularly with globalisation and greater market liberalisation.

Bumiputra ownership of share capital based on par value increased from RM63 billion in 2000 to RM73.2 billion last year, recording a growth rate of 7.8% per annum.

Chinese ownership of share capital increased to RM159.8 billion last year, growing at 11.2% per annum during the review period while the Indian equity increased to almost RM6 billion last year, with a growth rate of 7.6%.