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Mahathir-Companies

GOV'T DIDN'T ABOLISH BUMI EQUITY REQUIREMENT, SAYS DR MAHATHIR

KUALA LUMPUR, July 31 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad said the government did not abolish the requirement of a minimum 30 per cent Bumiputera equity in companies listed in the Kuala Lumpur Stock Exchange (KLSE).

On the other hand, he said the new Foreign Investment Committee (FIS) guidelines were drawn up as a result of the attitude of Bumiputeras who sold their shares in a company to non-Bumiputeras after it had been listed.

"It is not like that. When a company is set up, 30 per cent of its shares are sold to Bumiputeras. The Bumiputeras buy the shares and then sell them back to non-Bumiputeras, thereby the company's shares are no longer held by Bumiputera.

"Now the Bumiputeras say that after the shares have been sold and the company is now 100 per cent owned by non-Bumiputeras, it should give 30 per cent more. This cannot be," he told reporters after chairing the Umno Supreme Council (MT) meeting here today.

He was commenting on a newspaper report today which among others said that the Cabinet had decided yesterday that companies going for listing needed only meet the 30 per cent Bumiputera equity guidelines.

Dr Mahathir said the new guidelines also did not relax existing conditions.

"No relaxation, 30 per cent is still 30 per cent," he said.

He said this was because the company had complied with the Bumiputera equity guidelines when it went for listing but it was the Bumiputera who sold back the shares.

"The company complied, it gave 30 per cent to the Bumiputera but the Bumiputera sold back the shares," he said.

Commenting on the matter, International Trade and Industry Minister Datuk Seri Rafidah Aziz said that upon listing, the company with less than 30 per cent Bumiputera equity could not be asked to provide more shares to top up the quota.

"All companies that have complied with Bumiputera equity guidelines when they go for listing and after listing maybe some years later the Bumiputera equity dropped below 30 per cent. So these companies should not be asked to top up the Bumiputera equity to 30 per cent," she said when met by reporters after the meeting.

As such, she said the government could not blame these companies when the Bumiputera equity dropped.

"But you must remember that people are not buying just to keep Bumiputera quota they buy to make money," she said.

-- BERNAMA

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