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Jamaludin lauds Guthrie's move to restructure into stronger entity

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KUMPULAN Guthrie Bhd's recent move to consolidate its plantation units was

commended by Second Finance Minister Datuk Dr Jamaludin Jarjis.

The group restructuring involves Kumpulan Guthrie, Highlands and Lowlands Bhd and Guthrie Ropel Bhd.

"Kumpulan Guthrie has responded positively to the Government's recent call for the merging of state-owned companies in order to enhance shareholder value, improve operational efficiency and create stronger companies with greater stock liquidity to attract both local and foreign institutional investor interest," Jamaludin said yesterday in Kuala Lumpur.

He was speaking to newsmen after witnessing the signing of a Memorandum of Understanding (MOU) involving Malaysia Venture Capital Management Bhd, Maxis Multimedia Sdn Bhd and Celcom (Malaysia) Bhd.

"We welcome this move by Kumpulan Guthrie and hope that these efforts will encourage further consolidation within the plantation and other sectors where the Government owns significant interest," he said.

Jamaludin said there are currently only four state-owned companies competing in the global capital market - Tenaga Nasional Bhd, Telekom Malaysia Bhd, Malaysia International Shipping Corp Bhd and Malayan Banking Bhd.

"We hope a few more will come on stream very soon... companies within the property and other sectors (not just plantation). We will allow market forces to determine when that would be," he added.

Jamaludin also said that Malaysia may use both the US dollar and the euro if the need arises.

"In the past, we have depended on the US dollar. But in the future, it could be the euro at times. The future would be more (of) a mixed approach," he said.

He was commenting on a report quoting Prime Minister Datuk Seri Dr Mahathir Mohamad as saying that the US dollar is unstable and that Asian countries should rethink their dependency on the greenback, moving away from the currency over the longer term.

The ringgit has been pegged at RM3.80 to US\$1 since 1998. The Government says it will adjust the peg only if there is a marked and sustained movement in currency values.

Jamaludin also said that Malaysia does not need to raise bonds in the international market for now.

"There is enough liquidity in town. We do not have to do sovereign exercise for our cash flow. But we need to do that from time to time for benchmarking purposes. So we will do that and will let Bank Negara and various agencies decide on the time," he added.