

18/01/2003

Valuecap to play role against those who try to devalue shares on KLSE

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DESCRIBING the formation of asset management company Valuecap Sdn Bhd as an unorthodox measure to safeguard national interests, Prime Minister Datuk Seri Dr Mahathir Mohamad said the company will play a role against those who try to devalue shares on the Kuala Lumpur Stock Exchange (KLSE).

"Valuecap is a company that is funded by government agencies, and it has a right to invest the way other people are investing; and it has a vested interest, of course, because the Government has invested in many companies.

"And if some people try to push down the share value, Valuecap has the right to buy those shares... that's all. If you sell, I suppose Valuecap will buy... they are not bailing out anybody, they are not a bunch of criminals, they are people who abide by the law and follow what is permitted in the market," Dr Mahathir, who is also the Finance Minister, said after launching "The Fast Track Program of InventQjaya" yesterday in Cyberjaya.

He said the Government's investment arm Khazanah Nasional Bhd, the Employees Provident Fund and other companies with government interest have invested in companies on the KLSE, and Valuecap will buy shares of such companies if they are sold intentionally.

"I think they can buy; either they can buy on their own or through a company which they set up... it's up to Valuecap what they want to do."

He said the company with a RM10 billion cash fund is managed by professionals with extensive experience.

When a member of the media compared Valuecap to a similar initiative in Hong Kong which supposedly failed, Dr Mahathir responded with a pinch of sarcasm.

"It doesn't matter. Hong Kong failed, of course, that is why they came out of the share market with a lot of money... because it failed.

"But it's alright, anything can be done, we do all kinds of things which everybody condemned as criminal, as going to destroy the market, (they said) we are a menace to our country... we will see whether Valuecap is a menace to Malaysia or not," he said.

He added that the country had time and again proven its critics wrong on managing its economy.

On the Multimedia Super Corridor (MSC) project, which has also drawn criticism from its detractors, Dr Mahathir pointed out that the MSC is now home to several multinationals with full confidence in the set-up.

"We started with an oil palm estate. There was not even a single road,

there was not a single building, there were no laboratories here.

"But if you look around now, you can see many big buildings where people are doing research, people are operating out of Cyberjaya as we promised," he said, adding that MSC was not meant to be an industrial area or a manufacturing hub.

Dr Mahathir said Cyberjaya was envisaged to be a centre for worldwide and regional operations, a data processing centre for international companies, and a management centre and hub for technological research and development.

"Shell conducts its worldwide operations from Cyberjaya, DHL has one of its three main data processing centres here, HSBC is also operating its worldwide networks from here with over 200 employees, so this is what Cyberjaya is all about," he explained.