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Smallholders get chance to own Felda shares

#### SMALLHOLDERS

THE Government's plan to float Federal Land Development Authority (Felda) on the Kuala Lumpur Stock Exchange will give smallholders a chance to manage 300,000ha of plantations owned by Felda Plantations Sdn Bhd.

National Association of Small-holders Malaysia president Datuk Mazlan Jamaluddin said besides handling their own plots, small-holders would have an opportunity to boost their income.

Currently, smallholders are not allowed to carry out any activities such as replanting, unless permission is first given by Felda.

"By owning Felda shares, every smallholder will be an owner of every investment and be at liberty to approve or disapprove any business venture.

"That's the least Felda can do for every smallholder who has toiled his land for the past 20 years," said Mazlan, who is also Mardec Bhd (formerly known as Malaysian Rubber Development Corp) chairman.

In his Budget speech yesterday, Prime Minister Datuk Seri Dr Mahathir Mohamad said Felda had the potential to be promoted as an international brand.

With the listing, Felda will be able to tap funds from the capital market and will no longer depend on the Government for financial support.

Dr Mahathir said Felda shares were expected to become one of the blue chips on the Kuala Lumpur Stock Exchange and at the same time, the Government will be able to reap returns from this listing.

He added that Felda Group of companies, settlers, co-operatives as well as State Governments, which have provided land to be developed as Felda plantations, would also benefit.

Dr Mahathir said Felda settlers would have the opportunity to hold equity in the listed company as members of the co-operative and as settlers.

The proposal is in line with the objective of the National Economic Policy to enable Bumiputera to own at least 30 per cent of the equity in the corporate sector. It is hoped that Bumiputera will not divest of their shares.

Mazlan said squabbling between smallholders and the Felda management could be eliminated now that both management and small-holders have an equal stake in the listed entity.

"Issues such as transfer of land deeds can also be resolved through equal division of shares between family members when the title holder dies."

Meanwhile, Gabungan Wawasan Generasi Felda chairman Tan Sri Rozali Ismail said it was only right for the almost 50-year-old Felda to offer shares to smallholders.

"About 30 per cent of smallholder's children continue where their parents left off.

"They have a right to determine their own future," said Rozali who is also Puncak Niaga Holdings Bhd executive chairman.

According to filings by the Malaysian Palm Oil Association, as at 2000, the Government-owned Felda and private smallholders are the biggest owners of oil palm estates in the world owning a combined 600,000ha.