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SPEECH BY THE PRIME MINISTER AT THE
OFFICIAL LAUNCHING OF THE PERTANIAN
BARING SANWA MULTI-NATIONAL BERHAD
AT NIRWANA ROOM, HOTEL HILTON, KUALA
LUMPUR ON 25TH OCTOBER, 1974

Dr Agoes Salim, Pengerusi PBSM, Mr Nicholas Baring,
Mr S. Murai, Mr J. A. Dave, Dif-dif yang terhormat, Tuan-tuan
dan puan-puan sekalian.

Saya suka mengucapkan berbanyak terimakasih kepada Lembaga Pengarah Pertanian Baring Sanwa Multi-national Berhad kerana sudi menjemput saya ke majlis malam ini dan melancarkan dengan rasmi Merchant Bank PBSM ini. Bank ini telahpun mula menjalankan perniagaannya sejak bulan Jun tahun ini dan dengan pelancaran rasminya pada malam ini PBSM, saya percaya, akan lebih terkenal lagi di kalangan masyarakat banking dan perindustrian di negara ini.

Sehingga ini sebanyak lapan Merchant Bank telah tertubuh di negara kita dan menjalankan perniagaannya, sebagai sambutan kepada hasrat Kerajaan supaya Kuala Lumpur menjadi pusat kewangan dan permodalan. Sambutan yang diberi oleh bank-bank dan institusi kewangan baik dalam negeri maupun dari luar amatlah menggembarakan. Ini jelas menunjukkan kepercayaan dan keyakinan mereka terhadap masa depan Malaysia. Tidak syak lagi, keteguhan ekonomi kita menjadi daya penarik yang kuat kepada syarikat-syarikat asing dan saya berharap mereka akan terus berada di sini supaya dapat bersama-sama membantu usaha pembangunan negara.

Ladies and Gentlemen.

It is a matter of particular pleasure for me to be here tonight to perform the official opening of the Pertanian Baring Sanwa Multi-national Berhad. I say this because I was personally associated with the venture from its idea stage to the time it received the licence to operate. As the Minister in charge of Bank Pertanian then, I endorsed the proposal put up by the Bank to establish a Merchant Bank. Later, when Tun Tan Siew Sin

left the Government for reasons of health, I assumed the portfolio of Finance, and in this new capacity I gave formal approval to PBSM to do business in Merchant Banking.

Tonight I will perform the official opening of the company and in doing so I hand over the responsibility of supervising and policing its activities to the new Finance Minister, Datuk Hussein Onn. My job is done, and the task of making sure that it conforms to the rules and regulations governing the activities of Merchant Banks will fall on Datuk Hussein with the assistance of Tan Sri Ismail, Governor of Bank Negara.

Ladies and Gentlemen.

Under the present Cabinet arrangement, responsibility for Bank Pertanian is passed on to the Minister of Agriculture and Rural Development. This I think is more appropriate as the Bank devotes almost exclusive attention to the provision of credit to padi farmers in the double-cropping areas of Muda, Kemubu and Tanjung Karang. Initially, its activities were extended to short-term, medium-term and long-term crops as well as to livestock and fishing. Lately, more of its loans has gone into agribusiness and agrobased industries.

Today the Bank has begun to perform other banking functions such as mobilising savings, accepting fixed deposits, discounting agricultural bills and issuing letters of credit. It can be said that Bank Pertanian Malaysia is steadily emerging or developing into a bank in the proper sense of the word and not merely as a conduit for transferring public funds into the agricultural sector. There is no doubt it will be the financial vehicle for channelling public funds to the agricultural sector, but alongside that it will function as a banking institution, playing its due role as a modernising institution—to develop and modernise the agricultural sector, and modernise our farmers.

Ladies and Gentlemen.

Coming back to this function tonight, we are here for the official opening of Pertanian Baring Sanwa Multi-national Berhad. As I said earlier, the formation of this Merchant Bank is an important occasion, for it represents another response to the call by the Government to make Kuala Lumpur a centre of finance. There are now eight companies which have been given the licence

to operate as Merchant Bankers and I hope that they will all contribute to our industrial development.

As the Chairman said just now, PBSM is a joint-venture of four partners in which Bank Pertanian holds the majority share. Indeed, of all the Merchant Banks at the moment, PBSM has the biggest local equity participation. For Bank Pertanian itself, the formation of PBSM is a step forward in establishing itself as a major financial institution in this country. I am confident that with its intimate knowledge of the agriculture sector, and with the experience and expertise brought by the foreign partners, PBSM will be able to perform its functions properly and efficiently.

It is noteworthy that the foreign partners in PBSM are well-known in the banking world. Baring Brothers are reputed to be the oldest Merchant Bank in London. Sanwa is one of the five largest banks in Japan and London Multi-national, though young, has already made a favourable impact in the financial world. I have no doubt with this high reputation, PBSM has an excellent future. However, I do hope PBSM will not rest on the laurels of its partners. While the foreign partners are well-known in their respective domains, it is my wish that in good time they too will also become well-known in Malaysia.

Ladies and Gentlemen.

I would like to take this opportunity to thank them for having decided to come to Malaysia and play an active role in the development of our country. I hope your association with Bank Pertanian in this venture will bring forth fruitful results and be of benefit not only to us in Malaysia but also to you as partners in this business.

In our present stage of development, we welcome foreign capital as well as foreign expertise. Our door is open for them to assist us in our economic progress while allowing them to receive a fair return for their labour and contribution. This is our stated policy and will remain so until our policy objectives are fulfilled.

Ladies and Gentlemen.

The world economy today is going through a very difficult period and Malaysia is not entirely left out from the mainstream

of this economic difficulty. However, we are taking every possible precaution to see us through the crisis. The Government will give more attention to the agricultural sector especially the promotion of agro-based industries. We need a more rapid development of the agricultural sector and the Government with its agencies is well prepared for the task ahead.

Fortunately, we have established excellent framework or agricultural infrastructure, and the establishment of agencies and research institutions like the Farmers' Organisation Authority, MARDI, Majuikan and Majuternak, will I hope expedite the rapid progress of the agricultural sector. Bank Pertanian itself will expand its credit programme and will establish its presence in the rural areas. I am glad to hear PBSM will specialise, though not exclusively, in the agricultural sector.

As I have often said we will need a lot of skilled manpower for the development and modernization of the agricultural sector. This is where PBSM, as a Merchant Bank, specialises in this particular field, can effect changes such as the introduction of speedier decision-making process, introduce new capital and at the same time ensure the future into our agricultural economy. This is not just a hope, but it is something which PBSM should do.

Ladies and Gentlemen.

Before I conclude, I should like to associate myself with Dr Agoes Salim in wishing "Selamat Datang" to the foreign directors of PBSM as well as other dignitaries from overseas. You have come soon after we celebrated the National Festival of Hari Raya Puasa and the festive spirit is still with us. I hope you have enjoyed your stay in Kuala Lumpur so that when you leave you will take away pleasant memories of your stay here.

To Pertanian Baring Sanwa Multi-national Berhad, its Chairman and Directors, may I wish you success in your venture. I now have great pleasure in declaring the official opening of PBSM Merchant Bank.