

Sticky Solution

The MIC has proposed a RM500-million trust fund to start the ball rolling in its quest to raise the community's equity stake to 3%. If the Maika fiasco is any indication, then what are its chances?

IS A RM500-million trust fund the solution to the woes of the Malaysian Indian community?

Well, it might not be, but the MIC thinks it is a good start. At least, that's what its president, Datuk Seri S Samy Vellu, feels.

So passionate and emotional was the president that he even threatened to 'close shop' if Indian equity was not raised. It is still unclear what his 'close shop' threat means. Does he mean the MIC will dissolve itself or does he mean he will quit?

To be sure, this is not the first time Samy is touching on the topic. In fact, every few years, he and other MIC leaders will duly highlight the woes of the Indian community. There would then be the usual chorus of calls from politicians, community leaders and NGOs on what can and should be done to raise the equity stake of the Indians in the country.

Take, for instance, the soon-to-end Eighth Malaysia Plan. When it was first tabled five years ago, one of its objectives was to raise the share of Indian-owned equity from 1.5% to 3%.

The MIC president had then said that a RM500-million fund along the lines of Permodalan Nasional Bhd (PNB) should be set up. But till now, nothing has been done. So, the MIC seems to be singing the same tune again.

Why its proposal five years ago failed to take off is anybody's guess. What were the obstacles, if any? Surely, the people have the right to know? What are the chances of it succeeding now?

Just look at the performance of Maika Holdings Bhd, the MIC's investment arm set up in 1982 with a paid-up capital of RM100 million. At that time, nearly 70,000 Indians, rich and poor, young and old, invested their hard-earned money with great hope and expectations.

Now 23 years later, there are only shattered dreams. Although it started off well, it is today bleeding. Its listing

plans lie in tatters while shareholders who put in RM1 per share are lucky to be able to recoup even half of that.

What happened? More importantly, how sure are we that what had happened to Maika will not happen to this newly proposed RM500-million fund? Will it be professionally managed? Will there be political interference?

There is no doubt that the failure of Maika will haunt shareholders and the community at large in the years to come. In that respect, it will be a tough task for the MIC to persuade Indians that RM500 million, whether funded by the government or individuals, will be well managed. The crucial point here perhaps is one of good corporate governance and leadership.

One only has to look at the dismal performance of some of the state-owned unit trust funds in recent years. It is not an easy, playing-the-investment game. You need a high level of professionalism, expertise and experience

Samy has been MIC chief for more than two decades - 24 years to be exact. Surely, during this time, he has had all the opportunities and influence to push through programmes and policies to uplift the lives of the community?

For the record, when he took over as MIC president in 1981, the equity share of the Indians was close to 3%. Now even with tycoon T Ananda Krishnan's RM12.23 billion, it has dropped to 1.5%. Who is to be blamed?

We are in the closing chapters of Samy's tenure as president. His critics say his most recent 'threat' is

a last ditch attempt by him to highlight the plight of the Indians.

It is hoped that the new MIC president will be able to open a not only new but also fruitful chapter for the MIC. And let's hope there will be no more threats.

Action, after all, speaks louder than words. **mb**

For the record, when Samy took over as MIC president in 1981, the equity share of the Indians was close to 3%. Now even with tycoon T Ananda Krishnan's RM12.23 billion, it has dropped to 1.5%. Who is to be blamed?