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Some losses are our gain

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Pak Lah tells fund managers to learn from financial crises

MALACCA: Prime Minister Datuk Seri Abdullah Ahmad Badawi has advised managers of investment funds to learn from the recent events that had rocked several global financial institutions.

He urged diligence from them to prevent the financial crisis suffered by several global financial institutions like London's Barings Bank's loss of US\$1.3bil (RM4.1bil) in 1995 and France's Societe Generale's US\$7.2bil (RM23bil) trading losses this year.

He also mentioned the recent sub-prime crisis in the United States that had resulted in bailouts of American financial institutions such as Merrill Lynch and Citigroup by foreign investors.

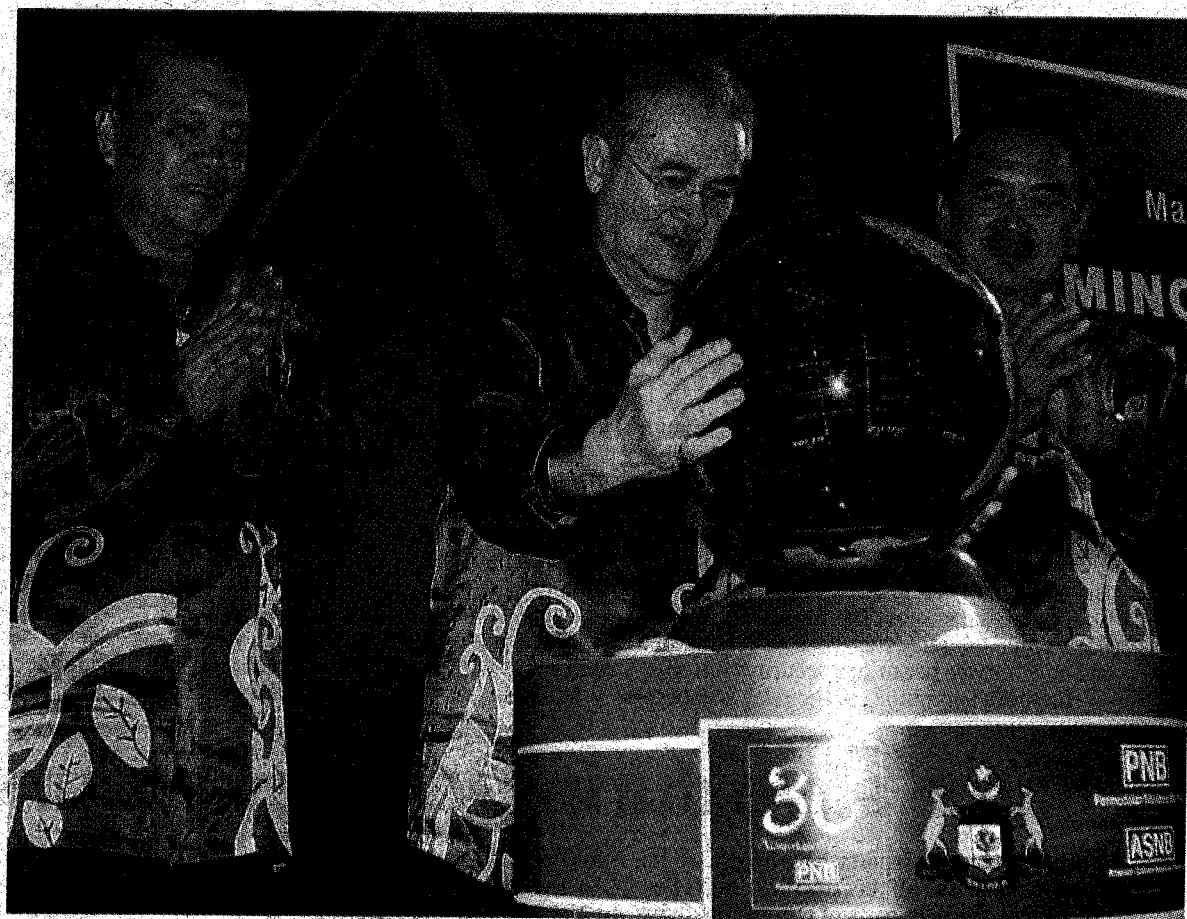
"I wish to remind those entrusted with the management of investment funds to take heart from the incidents concerned," he said when officiating at the Amanah Saham Malaysia Week celebrations held at the Malacca International Trade Centre yesterday.

"Individual investors had also lost their entire life savings when their fund managers failed to deliver," he added.

He said that such incidents could be avoided here if the nation's human capital possessed traits such as honesty, trustworthiness and integrity.

Earlier in his speech, Abdullah commended Permodalan Nasional Bhd (PNB) on the management of its trust funds over the last 27 years.

"Investors have increased 10-fold to 8.9 million compared to the 840,000 in 1981 while PNB has a



Symbolic launch: Abdullah placing his hands on a crystal globe to launch the Amanah Saham Malaysia Week in Malacca yesterday. With him are Ahmad Sarji (left) and Mohd Ali.

total of 76.8 billion mutual trust units currently compared to the 540 million units when it started," he added.

He also noted that since 1981, PNB had paid out a total RM60bil in returns to investors, with an average

of RM5bil paid out annually.

"The offer of share participation to non-bumiputras in 1996 by PNB, is in my view, strong proof that the Government aspires to share the wealth equally with the rakyat irrespective of race or reli-

gion," he added.

Present at the event were PNB's chairman Tan Ahmad Sarji Abdul Hamid, PNB's president and chief executive Tan Sri Hamad Kama Piah Che Othman and Malacca Chief Minister Datuk Seri Mohd Ali Rustam.