

Najib denies GLCs picking up after fleeing investors
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By Shannon Teoh

KUALA LUMPUR, Sept 30 — Datuk Seri Najib Razak said today that the recent spate of takeover bids by government-linked companies (GLCs) did not reflect a lack of confidence in the local economy.

The prime minister said that the deals were on a “willing buyer, willing seller” basis and reaffirmed that his administration would not crowd out the private sector from the market.

“These are market forces at work. If they have the opportunity, they will take up the opportunity,” he said when quizzed about the willingness of tycoons to cash out from major public-listed companies.

Yesterday’s application for merger talks between investment banking group OSK Holdings Berhad — whose single biggest shareholder is Ong Leong Huat, 67, ranked by Forbes magazine as Malaysia’s 34th richest man — and RHB Capital Berhad has become the latest talking point.

Concern over where this trend is headed was sharpened by Permodalan Nasional Berhad’s (PNB) bid on Tuesday to take over the nation’s second-largest developer by market value, SP Setia.

But the Umno president said after a supreme council meeting this evening that “PNB will keep the current chief executive” Tan Sri Liew Kee Sin, adding that he hopes the SP Setia president “will not accept the general offer so he still has shares.”

“They have the capacity and sometimes there is a willing buyer, willing seller basis. We are sensitive to the role of the private sector and we don’t want GLCs to be accused of crowding out the private sector,” Najib added.

Sime Darby’s recent acquisition of a 30 per cent stake in property developer Eastern and Oriental (E&O) for RM766 million from businessmen including Terry Tham Ka Hon has also sparked concerns and is now being investigated for alleged insider trading.

Before the latest corporate exercises, a number of Chinese Malaysian-held businesses had already started setting their sights away from Malaysia.

Casino operator Genting began its Singapore operations two years ago while YTL Group made a S\$3.8 billion (RM9.1 billion) purchase in 2009 of the second-largest power generation company in the island republic, the 3,100-megawatt PowerSeraya.

In 2007, Malaysia’s richest man Tan Sri Robert Kuok also moved his palm oil operations out of Malaysia and listed them in Singapore in a move that was speculated to be caused by concerns over the government’s continuation of Bumiputera equity policies.

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