

GLCs urged to return to role as 'trustee'

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TRUE PURPOSE: They need to safeguard wealth of Bumiputeras, says Dr M

KUALA LUMPUR: GOVERNMENT-LINKED companies (GLCs) were urged to go back to their original role as a holding in trust for Bumiputeras.

Former prime minister Tun Dr Mahathir Mohamad said currently, GLCs seemed to have deviated from the policy of safeguarding the wealth of Bumiputeras.

"We set up Khazanah Nasional Bhd because most Bumiputeras and Malays had no money and if they were given shares, they sold them off.

"This had somehow reduced the wealth owned by Bumiputeras. Thus, we set up a government-controlled body to ensure it held on to the shares while we distributed the wealth to Bumiputeras," he said after closing the two-day Malay Economic Congress, here yesterday.

Dr Mahathir said GLCs' policies had changed, currently focusing more on their bottom lines.

"They now act more like mainstream businesses and seem to distribute wealth to non-Bumiputeras, including foreigners. This has contravened the actual policy set by the previous government."

Asked whether GLCs should return to their original role, Dr Mahathir said probably not fully but there were ways to prevent such an occurrence.

"They started out holding equity in trust for Bumiputeras. Therefore, we considered that GLC Bumiputera, but apparently it is no longer holding it in trust. It belongs to the company concerned and they are free to do with it what they like."

He denied suggestions that the New Economic Policy had hindered foreign investment in the country.

"Despite having affirmative action for Bumiputeras, this country grew on foreign investment faster than other countries. So, to say this policy hindered foreign investment is not true."

At the function, Dr Mahathir also launched the Tabung Usahawan dan Pelaburan Bumiputera Bhd.

The RM1 billion fund is a collective investment scheme set up by members of the Malay Chamber of Commerce, Bumiputera entrepreneurs and individuals, with the cooperation of the government.

RM500 million has been allocated by the government and the rest from the private sector.

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