

MAHATHIR - SERVICES

83 (P)
KUALA LUMPUR, DEC 19, (BERNAMA) -- PRIVATISATION OF CERTAIN PUBLIC SERVICES WILL NOT MEAN THAT THE CONSUMERS WILL HAVE TO PAY MORE.

ON THE CONTRARY, THE CONSUMERS MAY PAY LESS BECAUSE THE PRIVATE SECTOR IS MORE EFFECTIVELY AND EFFICIENTLY MANAGED, (DATUK SERI DR MAHATHIR MOHAMAD SAID HERE TODAY.

SPEAKING AT A DIALOGUE SESSION AFTER OPENING A CUEPACS SEMINAR ON PRIVATISATION HERE, THE PRIME MINISTER STRESSED THAT HE HELD THE VIEW THAT THE PRIVATE SECTOR WAS MUCH MORE EFFECTIVELY AND EFFICIENTLY MANAGED THAN THE PUBLIC SECTOR.

HE FOUND THAT EVEN IN ADVANCED COUNTRIES LIKE JAPAN, THE PRIVATE SECTOR WAS MORE EFFICIENT THAN THE PUBLIC SECTOR.

AS SUCH, A MORE EFFICIENTLY - AND EFFECTIVELY - RUN CONCERN WOULD HAVE ITS GOODS OR SERVICE CHEAPER, HE ADDED. -- MORE 1358/II
CORRECTED REPETITION

ND47 (F/S)

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DATUK SERI DR MAHATHIR CITED THE VIDEO TAPE RECORDER (VTR) AS AN -- EXAMPLE. WHEN IT WAS INTRODUCED IN THE MARKET, IT COST ABOUT \$5,000 EACH.

BUT AS THE COMPANY, MOTIVATED BY PROFIT, STRIVED FOR WIDER MARKET, IT WENT INTO MASS PRODUCTION AT A LOWER COST AND AT A LOWER PRICE AND THE LOWER MARGIN OF PROFIT WAS MADE UP FOR THROUGH VOLUME OF SALES.

THE NET RESULT WAS THAT TODAY, A VTR COULD BE BOUGHT FOR ABOUT \$2,000 EACH. BUT IF THE PRODUCT WAS HANDLED BY A PUBLIC CONCERN, A VTR COULD COST \$7,000 OR \$8,000 EACH.

THEN THE FIRST THING THE MALAYSIAN PRIVATE SECTOR WOULD DO WOULD BE TO ASK FOR "PROTECTION" FROM THE GOVERNMENT, HE SAID.

DATUK SERI DR MAHATHIR STRESSED THAT THE GOVERNMENT WOULD NOT BE SACRIFICING THE RIGHTS OF THE WORKERS WHEN PRIVATISING.

THIS ALSO EXPLAINED WHY THE GOVERNMENT WAS NOT PUSHING THE PRIVATE SECTOR INTO IT. -- MORE 1400/II

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HE SAID THE MAIN QUESTION ASKED BY THE GOVERNMENT WAS WHETHER THE PRIVATE SECTOR WAS GOING TO PAY THE WORKERS THE SAME PAY AND BENEFITS AS THE PUBLIC SECTOR, AND THIS WAS WHY THE PRIVATE SECTOR WAS NOT SNATCHING UP EVERYTHING.

HE ALSO SAID THAT THERE WAS NO QUESTION OF THE PRIVATE SECTOR TAKING OVER ONLY THE PROFITABLE SERVICES OF THE PUBLIC SECTOR.

FOR EXAMPLE, IN THE CASE OF THE MALAYAN RAILWAY, IT WOULD BE THE WHOLE SERVICE AND NOT JUST THE MORE LUCRATIVE ROUTES IN THE WEST COAST OF PENINSULAR MALAYSIA.

REFERRING TO THE QUESTION OF POVERTY RAISED BY THE PRESIDENT OF CUEPACS, ENCIK AHMAD NOR, IN HIS WELCOMING ADDRESS, THE PRIME MINISTER REITERATED THAT THERE WAS NO "ABSOLUTE POVERTY" IN THE COUNTRY.

HE SAID THAT WHEN ONE TALKED ABOUT A CERTAIN LEVEL OF INCOME AND POVERTY IN THE COUNTRY, ONE WAS TALKING ABOUT A CERTAIN STATISTICAL CRITERION FOR ASSESSING THE INCOME OF THE PEOPLE WHICH IN TURN BECAME A TARGET FOR THE GOVERNMENT TO WORK HARDER.

IN ADDITION, THE MALAYSIAN CUSTOM WOULD SEE THAT NO NEIGHBOURS DIE OF STARVATION. "NO ONE IN MALAYSIA DIES OF STARVATION," HE SAID. -- BERNAMA 1405/II