

PM chides managers

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By ADLIN M. ZABRI

PRIME Minister Datuk Seri Dr Mahathir Mohamad yesterday chided Malaysian managers. He said management is not one of Malaysia's strong points. And, in the first instance we do not have enough managers.

"Of the ones that we have, a good number are unfortunately mediocre. Some, we have seen, are downright dishonest," he added.

Opening a seminar on privatization opportunities and implications in Kuala Lumpur, Datuk Seri Dr Mahathir said if privatization is going to remedy the ills of nationalisation then there must be good managers.

He said privatization alone cannot overcome the inadequacies and the country should not, therefore, be too optimistic.

Datuk Seri Dr Mahathir said the Government will refrain from regulating the privatization exercise unless the situation compels it to do so.

Privatization does not mean the Government is absolved of its social responsibilities. It will still maintain its role as the guardian of public welfare, he added.

"The Government will remain accountable to the public and it must be responsible to ensure privatization is beneficial to all concerned," he said.

While efforts are made to exercise caution to ensure public enterprises do not fall into the wrong hands, the Government hopes the private sector such as merchant banks and business

consultants will study very carefully the ability of companies taking over government services or enterprises.

At the same time, Datuk Seri Dr Mahathir said Malaysia should be willing to learn from foreign experience and if necessary use their expertise or even their direct involvement.

He said if the Government happens to award an enterprise to companies that are partly owned by foreigners, it is not because it (the Government) is not patriotic or "un-Malaysian".

"We want to save the nation from disastrous mistakes. But that does not

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mean capable locals cannot on their own succeed in taking over the services we wish to privatize," he added.

A lot of money had been poured into public enterprises. By the 1980s some \$10 billion had been directly invested in about 1,000 companies and while some succeeded admirably, most failed.

He said fears of strategic industries falling into the hands of foreigners can easily be circumvented through specific provisions in the instruments enabling the industry to be privatized.

"Ideally, privatization should result

in improved income for everyone and at the very least no one should lose." But, Datuk Seri Dr Mahathir said, much depends on the vaunted efficiency of the private sector. In other words, privatization must lead to higher productivity.

Honesty, the skill and the diligence of managers and workers will determine whether a privatization exercise will be beneficial, he said.

Opposition to privatization comes largely from the employees and their unions which is understandable, according to the Prime Minister. He explained working in a private sector organisation with its stress on efficiency and profits cannot be the same as working in a government department.

The Government cannot afford to have too many failures in the privatized companies and does not want to be forced to take the companies back. The private sector has come a long way since independence and is now bigger, better organised and is sophisticated enough to run huge and complex government services.

The two-day seminar, organised by the Association of Merchant Banks in Malaysia, is attended by both local and foreign participants. Among the highlights of the seminar will be presentations by representatives of J. Henry Schroder Wagg, a British merchant bank, which has been engaged by the Government to prepare a master plan for privatization.