

D342

R E620 ENG MES
MAHATHIR
BM

KUALA LUMPUR, MARCH 17⁹⁰ (BERNAMA) -- DATUK SERI DR MAHATHIR
MOHAMAD SAID A NEW APPROACH SHOULD BE ADOPTED TO REDUCE GOVERNMENT
LOSSES IN ITS ECONOMIC ACTIVITIES THROUGH PUBLIC ENTERPRISES AND
DIRECT BUMIPUTERA INVOLVEMENT IN THE ECONOMIC SECTOR.

HE SAID WITH THE INCREASE IN THE NUMBER OF PUBLIC ENTERPRISES
WITHIN A SHORT PERIOD, THE GOVERNMENT WAS UNABLE TO +MONITOR+ THEIR
PERFORMANCES, WHETHER THEY HELPED TO ACHIEVE OBJECTIVES OF THE NEW
ECONOMIC POLICY (NEP) OR OTHERWISE.

THE PRIME MINISTER, WHO WAS OPENING A SEMINAR ON THE FUTURE OF
PUBLIC ENTERPRISE AGENCIES AT INTAN, BUKIT KIARA HERE, SAID WHILE
MANY OF THEM WERE OF HELP, THERE WERE ALSO MANY WHO WERE
+OBSTRUCTORS+ AS THEY COMPETED WITH BUMIPUTERA COMPANIES USING THEIR
SPECIAL PRIVILEGES AS GOVERNMENT-OWNED BODIES.

HE SAID WHEN THE INFORMATION GATHERING CENTRAL UNIT WAS FORMED,
THE GOVERNMENT FOUND THAT THERE WERE SOME PUBLIC ENTERPRISES WHICH
SUFFERED LOSSES ADDING THAT ALTHOUGH THEY HAD A HEAVY SOCIAL
RESPONSIBILITY, THE LOSSES COULD NOT JUST BE SET ASIDE.

OF THE 1,000 PUBLIC ENTERPRISES, 373 OR 39 PER CENT SUFFERED
LOSSES AND MANY OF THEM WERE STILL ACTIVE OR IN OPERATION. -- MORE
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DURING THE SAME PERIOD THE NEP HAD SUCCEEDED IN CREATING SOME BUMIPUTERA ENTREPRENEURS AND BUSINESSMEN WHO WERE CAPABLE AND EFFICIENT IN ADMINISTERING BUSINESS CONCERNS AND IN FINANCIAL MANAGEMENT, HE SAID.

HE SAID IN VIEW OF MORE BUMIPUTERA INDIVIDUALS BEING PREPARED AND ABLE TO VENTURE INTO BUSINESS AND INDUSTRY AND THAT MANY PUBLIC ENTERPRISES WERE SUFFERING BIG LOSSES, THE GOVERNMENT HAD DECIDED TO PRIVATISE PUBLIC ENTERPRISES AS THEY COULD BECOME MORE EFFECTIVE.

THE GOVERNMENT FELT AS FAR AS POSSIBLE IT SHOULD RESTRICT ITSELF TO ITS ORIGINAL ROLE, THAT OF ENSURING SECURITY AND PEACE THROUGH LAWS AND TO PROVIDING SEVERAL SERVICES.

+INJUSTICE AND SUPPRESSION WHICH MAY OCCUR IN A +FREE MARKET+ CAN BE CHECKED BY A DEMOCRATIC SYSTEM OF GOVERNMENT,+ HE SAID AND THAT IN THIS CONNECTION RELATIONS BETWEEN BUMIPUTERAS AND NON-BUMIPUTERAS COULD BE +SUPERVISED+ THROUGH IMPLEMENTATION AND ENFORCEMENT OF POLICIES AND THE LEGAL SYSTEM, HE SAID.

DATUK SERI DR MAHATHIR EXPRESSED CONFIDENCE THAT EVENTUALLY THE OBJECTIVES OF THE NEP WOULD BE ACHIEVED AND THE ROLE OF PUBLIC ENTERPRISES BE REDUCED BY ENCOURAGING BUMIPUTERA PARTICIPATION IN THEIR ACTIVITIES. -- MORE

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DATUK SERI DR MAHATHIR SAID SETTING UP OF PUBLIC ENTERPRISES WAS NOT THE OBJECTIVE OF THE NEP BUT MERELY A TOOL TO ACHIEVE THE POLICY OBJECTIVES OF HELPING BUMIPUTERAS TO BE INVOLVED IN COMMERCIAL VENTURES THROUGH OWNERSHIP OF SHARES.

OWNERSHIP OF PUBLIC ENTERPRISES MIGHT ADD TO GREATER BUMIPUTERA EQUITY PARTICIPATION BUT EQUITY IN VENTURES WHICH ALWAYS SUFFERED LOSSES WOULD BE MEANINGLESS AND WOULD ONLY LEAD TO DIFFICULTIES AMONG THOSE INVOLVED.

+THE AIM OF BUYING SHARES IS TO MAKE PROFITS OR GAIN THROUGH APPRECIATION IN THEIR VALUE . SHARES WHICH DO NOT BRING PROFITS ARE MEANINGLESS AND BUMIPUTERA PARTICIPATION IN ENTERPRISES THAT ALWAYS SUFFER LOSSES WILL BE OF NO USE,+ HE SAID.

THE PRIME MINISTER SAID PRIVATISATION WAS NOT AIMED AT PERMITTING PUBLIC ENTERPRISES TO ACHIEVE THE NEP OBJECTIVE +SEPARATE+ FROM THE POLICY OF THAT OF BEING A BUMIPUTERA TRUST AGENCY.

BESIDES INDIVIDUAL BUMIPUTERAS OR BUMIPUTERA COMPANIES WHICH COULD TAKE OVER PUBLIC ENTERPRISES, OTHER TRUST BODIES LIKE PERMODALAN NASIONAL BERHAD (PNB) ALSO HAD THE OPPORTUNITY TO TAKE OVER.

THE PROBLEM WAS NOT THE TRANSFERRING OF SHARES, BUT THE SUCCESS OF THE BODIES AFTER OWNERSHIP HAD BEEN TRANSFERRED AND THAT IF THEY ALWAYS SUFFERED LOSSES, THEY WOULD HAVE TO BE SOLD TO OTHER PEOPLE. -- MORE

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+IT WILL BE FRUSTRATING IF AFTER THEY WERE SOLD, THE PUBLIC ENTERPRISES ON REHABILITATION BRING PROFITS TO THE NEW OWNERS. THERE IS A NEED FOR MANAGEMENT AFTER THEY HAD BEEN PRIVATISED TO BE EFFICIENT SO THAT THEY WILL NOT FALL IN THE HANDS OF OTHERS AND FRUSTRATE THE NEP,+ HE SAID.

HE ADDED THAT THEORY AND SYSTEM HOWEVER GOOD COULD NOT GUARANTEE SUCCESS AS THE MAIN FACTOR WAS THE HUMAN FACTOR WHICH PRACTISED THE SYSTEM.

COMMUNIST COUNTRIES DROPPED THE SYSTEM BECAUSE THEY COULD NOT ENSURE SUCCESS IN THE ECONOMY OR IN POLITICS, OR JUSTICE.

+AS WE HAVE TO AND NEED TO KEEP UP WITH THE TIMES AND TO REDUCE THE ROLE OF PUBLIC ENTERPRISES, WE CANNOT BE TOO OBSESSED WITH THE SYSTEM,+ HE SAID.

THE OFFICIAL OPENING WAS MADE BRIEF BECAUSE OF DISRUPTION OF ELECTRICITY SUPPLY CAUSING THE PRIME MINISTER TO SPEAK OUTSIDE THE HALL TO BEGIN THE CEREMONY, ALMOST TWO HOURS LATE.

THE DISRUPTION WHICH OCCURRED AT 9.15AM LED SEMINAR PARTICIPANTS TO LEAVE THE HALL AND WHEN DATUK SERI DR MAHATHIR ARRIVED, THE CEREMONY WAS ADJUSTED TO BEGIN WITH LIGHT REFRESHMENTS BEFORE HE OPENED THE SEMINAR. -- BERNAMA

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