

39 per cent are losing money, says Dr Mahathir

Public enterprises

NSunT 18 MAR 1990

told to cut losses

BY SABRY SHARIF

KUALA LUMPUR, Sat. — The Government wants public enterprises, numbering more than 1,000, to cut losses by adopting new approaches in their operations, Prime Minister Datuk Seri Dr Mahathir Mohamad said today.

He said the Government's latest data, provided by its central information collection unit, showed that 373 or 39 per cent of public enterprises were losing money.

He added that these losses were actually Government losses as the public enterprises' operational budgets came from Treasury allocations.

"While the Government is aware that these enterprises have socio-economic objectives to fulfil in line with the New Economic Policy, these losses

cannot be ignored," said Dr Mahathir.

"Therefore, new approaches should be formulated to reduce Government losses and to get Bumiputeras directly involved in business."

He said this when opening a seminar entitled "Future of the public enterprises agencies", organised by the Confederation of Public Enterprises and Bumiputera Trust Agencies (Gemaputera), at Intan Kiara here.

The ceremony which was supposed to take place at the main auditorium had to be shifted outside because of a power failure, provoking the

□ DR M ON OPPOSITION FUNDS: P2

Prime Minister to quip that the future of public enterprises was indeed "not so bright".

However, Public Enterprises Minister Datuk Napsiah Omar and top guns of public enterprises weathered the heat as they stood along the corridors and sat on the staircase outside the auditorium to listen to Dr Mahathir's speech.

Speaking to newsmen later at the International Youth Centre in Cheras after a closed-door meeting with Umno Youth leaders, Dr Mahathir said what he meant by positive approaches was for public enterprises to reorientate their operations to be like the private sector.

He said he wanted them to enforce strict controls over their operating expenditures as their funds were from the Government.

In his speech, the Prime Minister also said another measure would be privatising some of the enterprises which had the potential to improve their efficiency if operated like private firms.

He said that while some public enterprises should be commended for helping to get Bumiputeras involved in business, there were some which were competing against Bumiputera firms.

He regretted the actions of these enterprises which used their privileges as Government agencies to outbid rival Bumiputera companies.

He also told them to be cautious when taking over companies as part of their efforts to increase the Bumiputera equity participation in the economy.

"Equity in a company which is always incurring losses is pointless. Shares which have no value are also pointless. Therefore, Bumiputera participation in companies which are losing money is a waste."