

## ATTAINING NDP GOALS

# Privatization the key

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THE Government will continue to make privatization the key instrument in attaining National Development Policy (NDP) goals, Prime Minister Datuk Seri Dr Mahathir Mohamad told the Third Bumiputera Economic Congress yesterday.

He urged Bumiputeras to be positive in viewing privatization and to seek the means to seize various opportunities which come with privatization.

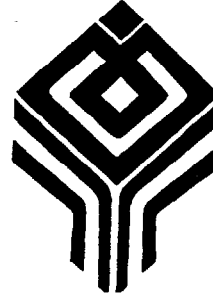
"Doubts about using privatization to achieve the objectives of NDP should not arise. The privatization exercise has helped the development process required to make the New Economic Policy (NEP) successful and the Government is confident it will make the NDP a success," Datuk Seri Dr Mahathir said in his opening

address to the congress.

Under the NEP, Bumiputeras are able to prove themselves through the various opportunities in management and business made possible by the privatization of Government agencies.

Datuk Seri Dr Mahathir said although the increase in Bumiputera stakes in privatized entities has been rather sluggish, primarily due to some Bumiputera individuals and employees who disposed of their shares for quick gains, the minimum Bumiputera holding in these entities has not been affected.

"Privatization has brought more benefits than setbacks to the Bumiputera business community, especially in a situation where the Government cannot afford the huge investments to



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develop public infrastructure and utilities," he added.

Under the NDP, privatization will help the Government identify Bumiputera individuals worthy of becoming members of the Bu-

miputera Commerce and Industrial Community (BCIC), which has been adopted as the main objective of the third Bumiputera Economic Congress.

Earlier, Datuk Seri Dr Mahathir said the objective of establishing the desired BCIC under the NEP was not fulfilled due to a shortfall in terms of the restructuring of national resources. Where the number of Bumiputera companies increased significantly, it is still relatively small in terms of size and turnover compared with non-Bumiputera companies.

In the services sector, for example, the 34 per cent increase in shareholdings registered by Bumiputera interests by 1988 was matched by a sluggish 21 per cent increase in terms of turnover. In the retail sector, only 28

per cent of the 210,000 licences issued by the various local authorities at the end of 1990 belonged to Bumiputeras.

Some 77 per cent of Bumiputera contractors registered with the Finance Ministry have paid-up capital of less than \$30,000, and most of them are categorised as contractors in the lowly Class F. They account for 12-15 per cent of the total value of contracts awarded by the Government under the NEP.

Datuk Seri Dr Mahathir said Bumiputera business achievements under the NEP could have been a lot better, perhaps even achieving the 30 per cent equity goal, had Bumiputeras seized all the opportunities provided by the various economic programmes implemented by the Government.