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MSIA HAS NO PLANS TO SET UP 2ND PHONE NETWORK, SAYS PM

By Salmi Hashim

NEW YORK, Sept 30 (Bernama) -- The Malaysian government has no intention of establishing a second telephone network at this point but would not discount such a possibility if it is found to be a worthwhile venture, Prime Minister Datuk Seri Dr Mahathir Mohamad said here Wednesday.

He told New York fund managers and potential investors that no decision had been made for a second telephone network because the need had not arisen.

The PM said this in response to a question posed by a New York fund manager at the launching of a Kuala Lumpur Stock Exchange +roadshow+ to promote a better understanding of the Kuala Lumpur stock market.

The roadshow, which takes 4 Malaysian companies -- Telecoms, UEM, MBF Holdings and Ekran -- to New York, London, Paris and Zurich, is organised by Credit Lyonnais Securities (M'sia).

Earlier, in his speech, Dr Mahathir said Malaysia's well planned privatisation programme had created new and very big utility companies which had been "almost uniformly successful and profitable".

The privatisation of the Telecoms Department for example had resulted not only in the emergence of very big telecommunication companies but also very noticeable improvement in telecommunications efficiency.

From 800,000 lines in the first year of privatisation, Malaysia now has well over two million lines, he added.

Privatised companies such as private power generation, airports, ports, railways, aircraft servicing, airlines and shipping were now listed on the KLSE, he said.

"They are profitable and are expanding and diversifying rapidly," he told some 60 managers and potential investors at the Pierre Hotel.

The PM also assured them that despite Malaysia's bullish economic performance for the past seven years, there was still more room for growth and that the scope for industrialisation was not yet exhausted.

Formidable challenges loom ahead for Malaysia with the end of the Cold War, where former East European economies, Vietnam and China, were switching from command economies to the market economy.

However, Malaysia would continue to make itself more competitive to withstand protectionist barriers erected by its competitors.

Malaysia had adjusted quite well and now accepted the need for openness, liberalisation and free competition.

"As a result, we have been able to make the switch from being the world's biggest producer of tin and rubber to being the world's biggest producer of room air-conditioners and microchips," he said. -Bernama