

Confrontation over disputes will hurt

# PM: Settle it

country, employers and workers told  
**through talks**

By Rosli Zakaria

CHUKAI (Kemaman), Tues. — Prime Minister Datuk Seri Dr Mahathir Mohamad said industrial disputes and differences between workers and employers should be settled through negotiations or arbitration, and definitely not by a show of might.

He said that settlement using a confrontational approach as practised in some industrialised countries in the West would not work as it would damage industries and reduce the country's competitive edge.

Settling industrial disputes by a show of might was often damaging to industries, Dr Mahathir said, adding that the method was no longer applicable and was outdated.

Speaking at the launching of Perwaja Steel Sdn Bhd's direct reduction iron (DRI) plant at the Kemaman Supply Base near here today, Dr Mahathir said:

"According to their methods, whenever there is a demand from workers, especially if the demand is quite extreme, attempts to find a settlement inevitably end in a test of who is stronger.

"If the employer is willing (to be tested) to the extent of risking his business, the employer wins. If the employer cannot withstand the pressure by the workers (through pickets and strikes), then the workers will win.

"This is primitive. Today, if workers and employers have problems, they can solve them through a more civilised way, that is through negotiations or arbitration where all factors would be taken into ac-

count."

Dr Mahathir said some industries in the West feared their workers because they could damage the business if the demands were not met.

Because of this, their workers were paid very high salaries which subsequently rendered the industries uncompetitive, he added.

"And when they are not competitive, they try to force our workers to follow their ways of settling industrial disputes," he said.

Dr Mahathir said that if similar approaches in settling industrial disputes were applied in this country, then local industries too would be rendered uncompetitive because production costs would rise.

The Prime Minister said some countries in the West would be happy to see Malaysian industries damaged because this would help reduce the competitive edge local industries have against theirs.

Dr Mahathir said Malaysian workers should not give in to such external pressures, though this may not be easily seen because the attempts were subtly made.

He said there was no need for workers and employers to prove who was stronger and there was no need for workers to follow the Western ways of settling disputes.

He said local workers must be alert to the ploy of the so-called foreign sympathisers.

"If local workers fall to such ploys, then their indus-

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# PM: We must protect our only advantage

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tries will be damaged ... and in the process, their jobs too," the Prime Minister said.

As a developing country, Malaysia could only offer trained and skilled manpower.

He said: "We have to buy the technology. We have to borrow money from foreign nations when we don't have adequate capital. And since we don't have a big market for our products, we have to sell them in their countries.

"Therefore, we must protect our only advantage. If we lose that, then we will not be able to compete with anybody."

Earlier, Perwaja Steel Sdn Bhd chairman Tan Sri Zainal Abidin Sulong said the company planned to go into downstream activities to produce higher value-added steel products by using its direct reduction iron as the main feedstock.

"In so doing, we not only get greater value for our products but also bring skills and technology to our workforce," he said.

He added that Perwaja also planned to increase its steel-making capacity here to two million tonnes a year by 1995 and to produce section products with an annu-

al capacity of 700,000 tonnes wire/bar at its plant in Gurun, Kedah.

The equipment and technology that would go into those programmes could be regarded as the most modern, state-of-the-art technology that would be efficient and cost effective and make Perwaja competitive.

Zainal said that by 1996, the company expected its hot rolled coil steel project to go "on-stream" giving Perwaja a total steel production of three million tonnes per year.

He added: "This will make Perwaja a complete and fully integrated steel producer, ranging from flat to long products. Perwaja's long-term plan is to go into downstream activities.

"We plan to supply the basic steel material to create and galvanise progressive and cost-effective downstream industries throughout the country, benefiting both the rural and urban areas of the nation."

Zainal said Perwaja also gave serious attention to the environment and the DRI plant inaugurated today was environment-friendly.

He said the DRI plant was undergoing final tests and production quality was excellent.