

Foreign firms urged to transfer know-how fast

PAKA, Mon. — Prime Minister Datuk Seri Dr Mahathir Mohamad has urged foreign companies involved in Independent Power Producer projects to transfer their expertise to the locals in the shortest time possible.

The time had also come for the private sector to take part in industries relating to the manufacturing of components for the electricity supplies sector, he said.

Dr Mahathir said the implementation of the YTL Independent Power Producer (IPP) project was dependent on the expertise and services from outside the country.

"I am confident that the problem can be overcome by the introduction of systematic training programmes and the transfer of technology," he said at the opening of the YTL Power Generation plant here today.

Also present were Menteri Besar Tan Sri Wan Mokhtar Ahmad, Energy, Telecommunications and Posts Minister Datuk Seri S. Samy Vellu and Tenaga Nasional Bhd chairman Tan Sri Ani Arope.

He said investment in human resource development through training to enhance knowledge should be continuous.

"However, many companies were reluctant to invest in human resource development because such investments are intangible and take a long time to get the returns.

"To strengthen the competitive edge of Malaysian companies globally, investment in this sector must be given attention. Only by having intellectual property, we will be able to meet future challenges that have become more complex," he added.

Dr Mahathir said companies wanting to take part in the electricity supply sector should concentrate on the manufacture of components.

He said although the manufacture of components was more complex and challenging, the returns, however, would be substantial if the components were of high quality.

□ PICTURE ON P14

"To ensure its success, the enterprising spirit among the public sector must be enhanced and strategic steps must be organised.

"For the Government, efforts are being made to produce entrepreneurs through the vendor system, together with Perbadanan Usahawan Nasional Bhd and the Ministry of the International Trade and Industry," he said.

On electricity supply, Dr Mahathir said the high economic growth rate experienced by the country had contributed to a serious power generating capacity problem.

He said this situation was among the reasons for the electricity power failure in September 1992, as a result of which the Government

took steps to increase the power generating capacity.

"This was not only implemented through the increase in capacity by the utility authorities but also by introducing the Independent Power Producers to supply electricity to the country."

At the moment, there are five IPPs which have the capacity to generate 4,070 megawatts of electricity. Three of the IPPs were implemented under the "fast track" programme.

"This is 54 per cent of the total additional capacity in Peninsular Malaysia for the period until 2000," he said.

With the additional capacity which is being implemented, he said the country need not worry about electricity supply any more.

"A supply system that is stable and efficient is important in assisting Government efforts to promote industries, especially high-technology industries which utilises a lot of power."

He said with the commissioning of the YTL Power Generation IPP plant, the reserve margin would increase by more than 35 per cent compared to the reserve margin last year.

In this respect, Dr Mahathir suggested that effort should be made to increase the utilisation of electricity to increase productivity in the economic sector.

Dr Mahathir also hoped that local authorities would use electricity during off-peak hours for street lightings and bill boards at night to light up the night in major towns.

He said in developed countries, the entrance of shops were lighted all night long but in Malaysia, the shops were closed with iron doors and were unattractive.

At a Press conference later, Dr Mahathir said the increasing supply of electricity as a result of the commissioning of more IPPs would enable the country to export it to neighbouring countries.

He said Thailand had agreed to buy up to 300 megawatts of electricity in the near future.

"There is also a possibility that we can supply electricity to Singapore. Presently we are supplying natural gas to Singapore," he said in response to questions from newsmen.

The Government plans to issue more IPP licences in order to increase supply as the demand is expected to grow rapidly.

At present, Malaysia is enjoying a 10 per cent surplus in electricity supply and this would reduce black-outs.

Dr Mahathir said he was not satisfied with the present electricity consumption and hoped that the people would consume more electricity as this would eventually result in lower tariff.

He said the Tenaga Nasional share price was not expected to go down that easily despite stiffer competition from IPPs "as it knows how to manage its business".

"It will continue to be a profitable company," he added.