

Government will continue to exercise some control over firm

# PM: Need to limit competition

By Manan Osman

LUMUT, Mon. — Prime Minister Datuk Seri Dr Mahathir Mohamad said the Government would continue to regulate and exercise some control over the activities of companies to prevent excessive competition.

He said some competition was healthy but that too much of it might result in bankruptcy.

If this happened, he said, not only would the company suffer but also the Government as it would lose in revenue.

He said the Government must ensure that existing competition, especially among companies involved in privatisation projects, would not be too intense.

In this country it is common that when someone comes out with a good idea and a project everybody wants to venture into similar ones.

That is why there are eight telecommunication companies, Dr Mahathir said at the opening of the Lumut Maritime Terminal (LMT) near here today.

Also present were Perak Menteri Besar Tan Sri Ramli Ngah Talib and State Development Corporation's chief executive officer Datuk Harun Ahmad Saroji.

The RM60 million project is a joint venture between the SDC, Halim Rasip Holdings Sdn Bhd and IPCO International Ltd.

The port offers efficient and competitive services and facilities, and experienced personnel. It can handle vessels of up to 35,000dwt, has dry and wet

docks with a 10-metre draught, storage areas and warehousing facilities.

Speaking to the Press later, Dr Mahathir said the Government would not be directly involved in such companies but would undertake a supervisory and regulatory role in matters such as licensing.

"For instance if we issue too many licences, it will cause stiff competition. In order for the companies to survive, they will offer prices that are low and will suffer losses."

For example, in the United States, when the Government deregulated its airline industry many, including major airlines, went bankrupt.

Dr Mahathir suggested that companies like the telecommunication companies merged to reduce competition so that there would be only three or four offering the same services.

In this way the companies could be managed more efficiently, he said.

He also criticised certain people who claimed that privatised projects only benefited a small group. He said such outdated misconceptions should be erased.

If such projects were given to those who were not qualified and lacked capital, everybody would lose, he said.

However, he said despite the allegations, the fact remained that all the projects progressed smoothly as compared to when the Government was the sole imple-

## Boost for Perak growth

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menter.

He said road projects were carried out smoothly, and telecommunication subscribers increased from 800,000 to three million within a short period.

On the port, he said it would serve as a catalyst for the economic development of the area in particular and Perak in general.

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