

PM: More than 200 Government agencies,

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companies could be involved

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**By Rashid Yusof  
and N. Gunalan**

**KUALA LUMPUR, Mon.—** The Government will accelerate the process of privatisation which is one of the reasons for the present fast-paced economy, Prime Minister Datuk Seri Dr Mahathir Mohamad said today. He said the Economic Planning Unit (EPU) in the Prime Minister's Department was required to make a study on efforts to speed up privatisation.

Dr Mahathir added that the number of Government agencies and companies to be privatised could possibly be bigger than the 200-odd already identified.

Areas earmarked for privatisation included utilities, projects and agencies which are small and inefficient.

At the same time, the Government was prepared to consider privatisation proposals and ideas from the private sector.

On Sept 1, the Prime Minister had said that more than 250 government agencies had been identified for privatisation.

Asked today if there was a time-frame for the privatisation, he said there was none. "Whenever there is (an entity) which we can privatise, we will privatise."

To another question, he said some of the Government agencies were privatised because the Government believed they were not its responsibility and it could be more efficiently run by the private sector.

In fact, privatisation could also bring about many benefits, like the capitalisation of the stock exchange which has now increased due to listing of privatised companies.

In addition, profits can be re-invested to further boost economic activities. There were many other benefits from privatisation and one of the reasons the Malaysian economy was progressing rapidly was due to the privatisation move, he said.

He said when Government agencies were privatised, part of the Government workforce would move to the private sector and they will no longer become the responsibility of the Government.

At the same time, revenue of the Government grew as the privatised companies paid taxes to the Government.

"With the increase in Government revenue, we can raise salaries for a smaller number of staff."

The Government can also afford to pay bonuses, which was not paid before, although the Government had given the 13-month salary before. The Prime Minister said it was possible to pay bonuses because more than 100,000 Government employees were now in the private sector.

He was speaking to reporters at the presentation of excellent service awards for employees of the Economic Planning Unit in the Prime Minister's Department. The Prime Minister also touched on privatisation in the speech.

Asked why privatisation in Malaysia was successful, he said there was a feeling elsewhere that privatisation would result in the termination of certain workers.

"Normally after privatisation, the company will terminate the services of employees who are deemed to be inefficient.

"But in our system, we do not allow termination and we give the assurance to employees that their salary will still increase. They are also given the choice whether to accept the scheme being privatised."

He said those opting to remain in the old scheme and old salary, however, would not get the facilities that came with privatisation such as bonuses and the facility to buy shares.

"Therefore in this country, the employees themselves want privatisation to be implemented as it benefits workers."

He said this was why there was no opposition in the country to privatisation unlike in other countries.

Also, there was private capital and entrepreneurs in the country. As such, privatisation was not about selling the entities to foreigners.

In communist countries, for example, there was a lack of private capital and entrepreneurs, and therefore it was difficult to carry out privatisation.

In his speech, Dr Mahathir said privatisation was not an easy task and before Malaysia considered the move, there were already people talking about it. But many countries were not able to implement it successfully.