

Government studying bids for Perwaja plant

PETALING JAYA, Mon. The Government is considering bids by several parties to buy the Perwaja plant, Prime Minister Datuk Seri Dr Mahathir Mohamad said today.

He said quite a number of parties believed that the company which had incurred losses, could be turned around.

"And I am confident we can turn around," Dr Mahathir told reporters at the Kuala Lumpur International Airport in Subang on arrival from the Commonwealth Heads of Government Meeting in Auckland.

The Prime Minister was asked to comment on the possibility of the Govern-

ment selling the national steel company as reported in a regional magazine.

Deputy Prime Minister Datuk Seri Anwar Ibrahim, in a written reply to the Dewan Rakyat last month, said Perwaja Terengganu Sdn Bhd had incurred pre-tax losses of RM376.5 million in the financial year ending March 31.

Dr Mahathir said: "I admit there were losses in Perwaja. In the first stage, when it was placed under Hicom, it incurred a loss which was quite big, and for that reason, we decided to transfer it out of Hicom. And it is managed as a separate company.

"Although it's true that it

suffered losses as shown in its current account, it cannot be denied that it has a very big asset. We have a plant which has since expanded, including the mill in Gurun which has the capacity to produce wire, angled iron, I-beam, H-beam and others. The asset can be used to turn around Perwaja."

Since the Government's stand was not to keenly participate in business, "we may sell the plant to those who could give a reasonable payment", he said.

Asked whether he was disappointed over the losses incurred by the company, the Prime Minister said he was not.

"I am of the view that the business has a high risk and we are going through a learning curve and in the process, there is a possibility of losses."

Dr Mahathir said the Government did not want to "protect" the steel industry to help it succeed. This would only push up the prices of Malaysian goods for export, he said.

He added that since the capability of the Government to make it a success was limited, other ways and means had to be found to achieve this aim.

On reports that the losses could reach RM2 billion, Dr Mahathir said: "No, not that much."