

12 DEC 1996

PM: PERWAJA NEEDS MORE THAN RM1 BLN TO BE REVIVED

By: Mohd Arshi Daud

KEMAMAN, Dec 12 (Bernama) -- Equal Concept Sdn Bhd, the company appointed as interim manager to privatise and revive ailing Perwaja Steel Sdn Bhd, needs to invest more than RM1 billion to revive the steel making firm, Prime Minister Datuk Seri Dr. Mahathir Mohamad, said here today.

While saying the government was aware it would take a long time to revive Perwaja, which was saddled with accumulated losses of RM2.9 billion, it was still keen to recoup the money invested in the project.

Dr. Mahathir said the government had entered into the project as it was a difficult heavy industrial venture and that it was too risky for the private sector since it needed a long period before achieving success.

Such a venture always faces problems and needs continuous investment and a long time to reap profits, he said when addressing employees during a visit to Kompleks Kemaman, the company's steel complex here.

Also present was Terengganu Menteri Besar, Tan Sri Wan Mokhtar Ahmad, Encik Abu Sahid Mohamed, the executive chairman of Maju Holdings Sdn Bhd -- the company which holds 51 percent equity in Equal Concept -- and his brother Abu Talib Mohamed, the chief executive officer of Perwaja Steel.

The Prime Minister said the government was still negotiating on Perwaja's rescue and privatisation package and that it has yet to be decided.

"We cannot but stress the importance of a steel industry as a yardstick of the developed status of a country," he added.

"It reflects the ability of Bumiputeras in this particular sector," he said.

Like Telekom Malaysia and Malaysia Airlines, the government decided to privatise Perwaja as managing other people's assets was different from managing one's own assets.

Through privatisation, the private sector has to invest its own money...and if there are losses, it must incur its own losses, he added.

Dr. Mahathir said the government has taken the right step by appointing the company or the people experienced in the steel business.

In this way, we are confident we will be able to achieve success, he said in reference to Perwaja's rescue package submitted by steel-based Maju Holdings.

Confident that Perwaja could be revived with the support of its employees, the Prime Minister called on them to believe in themselves, in the company as well as in the government's policies.

"If we have the confidence, I feel we can revive this plant," he said.

"If we cannot, then we will be embarrassed," he said.

Dr. Mahathir said he cancelled another appointment to visit the complex here as "Perwaja was my idea, if it fails, I would be embarrassed."

"I believe that with the solidarity and cooperation from the workers, we would be able to regain our pride," he said.

At this juncture, Dr. Mahathir, put forward the question as to whether Perwaja could be revived to the emotionally-charged employees who were present there and whether they could regain their pride and not lose their sense of direction, to which they reacted with a resounding affirmation with shouts of "we can...we can."

At that instant, an unidentified Perwaja worker stood up spontaneously which caught many by surprise, and told the Prime Minister that on behalf of the workers, he believed that Perwaja could be revived.

He also said that Perwaja was not a Malay dilemma but a struggle which has yet to be completed, in obvious reference to the Prime Minister's highly popular poem on the unfinished struggles of the Malays. -- BERNAMA
AD MR