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Mahathir-Perwaja

NO COVER UP FOR PERWAJA, SAYS DR MAHATHIR

KUALA LUMPUR, May 24 (Bernama) -- Datuk Seri Dr Mahathir Mohamad today reiterated that the government will not hide anything over the massive losses sustained by the state-owned Perwaja Steel Sdn Bhd.

Legal action would be taken against any wrongdoing, he told reporters upon his return from a 12-day working visit to Japan and the United States.

The government, however, would not shy away from developing the steel industry in the country even though it had its fingers burnt because it was very important for the industrialisation of any country.

He said Malaysia was not the only country that had lost money on the industry. All European countries had suffered the same and were just pulling out of their losses while the US steel industry had gone down and depended on small mills.

"It is not an easy industry to go into. It requires skills, management, expertise and honesty, everything," he said, adding that he would discuss with his deputy, Datuk Seri Anwar Ibrahim, the next step to rescue the ailing steel giant.

Anwar told the Dewan Rakyat two days ago that Perwaja Steel was insolvent with losses of RM2.98 billion and RM6.939 billion in liabilities.

Dr Mahathir also said that the government would study the proposals by Price Waterhouse to restructure Perwaja. They included privatisation or a joint venture.

Four companies had expressed interest to revive Perwaja. They are the Lion Group, Renong Bhd, Syarikat Maju Holding and Wing Tiek Holding Bhd.

On Malaysia's proposed micro-satellite launch in 1998, he said the government was examining the possibility of a joint venture with India.

The project is under the science division of the Prime Minister's Department. Arianespace, which launched Malaysia's first satellite, Measat, earlier this year, had agreed to offset the cost of launching the two micro-satellites.

Dr Mahathir, who had promoted Malaysia's proposed Multimedia Super-Corridor (MSC) in Japan and US, said the government would follow up by ensuring that adequate telecommunications infrastructure would be in place for corporations to set up their headquarters. -- BERNAMA

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