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Govt to proceed with MSC project

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MALAYSIA will continue with its Multimedia Super Corridor (MSC), one of its many mega projects, despite the earlier announced intention to defer some of them as part of measures to reduce the country's current account deficit.

Deputy Prime Minister and Finance Minister Datuk Seri Anwar Ibrahim said the Government views the MSC as a strategic sector that can help bring in foreign investments as well as new technologies.

"The MSC is a strategic industry, and it will move on," he told reporters after the launching the Eighth Malaysia Skills Championship Competition in Kuala Lumpur yesterday.

Anwar said the MSC, which will stimulate new investments into the country, is not affected by the Government's decision to defer some of the country's mammoth projects.

The Finance Minister also said that despite the decision to defer several projects, it does not in anyway mean that there will be no development and progress in Malaysia from now on.

"What is important is that, firstly, the Government has decided to defer some of the mega projects, and secondly, all new projects need to be studied in terms of cost implications and imports content.

"Therefore, they are deferred until December to allow us to assess their implication cost and import contents. As such, no new decision or approvals will be made until December," he added.

On the Bakun Hydroelectric project, Anwar said the establishment of a new power purchasing agreement between Tenaga Nasional Bhd and Bakun Hydroelectric Corp is an area that needs to be further explored.

Asked whether some form of compensation will be disbursed to the relevant parties of the agreement, he said: "We will look at it. The PPA is a decision endorsed by the Cabinet. Therefore, there should be a reasonable and an amicable manner of settlement."

Anwar said it is still premature to decide on the form of compensation to be paid to those who are involved with the PPA.

"Let us look at the details first. It (the deferment) is not anybody's fault. The decision is a Cabinet decision. Therefore, they have to take a serious view towards this need for us to defer the project. Furthermore, there are also some other issues that are related," he added.

On Bakun Hydroelectric Corporation executive chairman Tan Sri Ting Pek Khing's view on the situation, Anwar said he had told him of the Government's decision last Wednesday and Ting has agreed to it.

The Bakun Hydroelectric is one of the many large projects that Malaysia has decided to defer as part of the Government's measures to reduce the country's current account deficit.

Other steps of achieving this include reduction in the expenditure of the ministries; assessment of new privatized projects in terms of macro-economic impact; and revision of big purchases by government agencies, including the Armed Forces.

To a question on measures to bring back foreign investors to the local capital market, Anwar said he will announced more details some other time.

"What I had announced earlier was merely a general policy on the Government's decision. In the next few weeks, we will come up with a detailed explanation," he added. On the use of the national car by senior government officials, Anwar said the decision is meant to cover those who

are entitled to a new vehicle.

"We are not switching their existing cars to Protons. If they have a car now, don't sell and buy a new one. The point is to use the existing one, and if they are entitled for a new one, it will be a Perdana," he added.

To a question whether this will eventually mean the phasing out of the use of foreign cars at Government agencies, he said this could be the final outcome.

"I drive a Proton car. Prime Minister Datuk Seri Dr Mahathir Mohamad uses a Proton car too," he added.

Asked whether there will be retrenchment of civil servants during the reduction in spending period, Anwar said: "There is no necessity for retrenchment. Right now, the policy is right-sizing. So we are emphasising the need to rationalise the size of civil service, and we will have to continue to pursue this," he added.

In his speech earlier, the Deputy Prime Minister called on local companies to step up their respective human resources development programmes, particularly in the area of training.

He also urged those in the hotel business to plan ahead whenever undertaking expansion programmes, and nurture their own pool of workforce and to refrain from pinching staff from their competitors.

Anwar said otherwise, the competitors, after losing their staff, will have to resort to employing foreign workers to man the operations of their business.

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