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PERWAJA CONFIDENT OF DOING BETTER WITH CLEAN SLATE, SAYS ABU SAHID

ALOR SETAR, Jan 13 (Bernama) -- Perwaja Steel Sdn Bhd is confident of doing better following the government's decision to absorb the steel company's RM2.9 billion debt.

Perwaja Executive Committee chairman Abu Sahid Mohamed said the government move would enable Perwaja, taken over by Maju Holdings Sdn Bhd, to be revived with a clean slate.

"By starting with a clean slate, Perwaja will become a better company," he told reporters at the Perwaja plant in Gurun, near here, after Human Resources Minister Datuk Lim Ah Lek paid a visit.

Maju Holdings, the Bumiputera group which undertook the rescue and privatisation of Perwaja, holds 51 percent stake in the steel company. The federal government held 30 percent and Terengganu state government 19 percent.

Prime Minister Datuk Seri Dr Mahathir Mohamad announced on Jan 2 that the government would absorb Perwaja Steel's RM2.9-billion debt as it wanted Maju Holdings to take over the company on a clean slate.

Abu Sahid said the government's sincerity in wanting to see the country's main steel producer succeed had boosted the spirit of its workers.

Prior to the government decision to shoulder the debts and losses, Maju Holdings submitted a report on the company's operations, production capacity and cash flow situation.

He added: "So, based on the cash flow, the government felt that by absorbing the debt burden on Perwaja's new management, the company would be able to step up its operations.

"Business depends on cash flow... if the cash flow does not permit, no matter what you do the factory will not progress."

Abu Sahid expected Perwaja to begin to turn a profit next year. --

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