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Mahathir-Privatisation

FINANCIAL CONSTRAINTS LED TO PRIVATISATION, SAYS MAHATHIR

KUALA LUMPUR, June 21 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad said today the government privatised projects due to financial constraints and not to create millionaires.

Through privatisation, development projects could be carried out with companies providing the required infrastructure facilities more speedily, he said.

The government had to privatise certain state-owned companies as they often suffered losses and sometimes cheating also took place, he said when winding up the debate at the 52nd Umno General Assembly which ended here today.

Dr Mahathir, who is also Umno president, said by way of privatisation, various infrastructure projects could be built such as good highways, airports, ports and power generation plants.

He said the government could not implement such projects immediately as tax collection was time-consuming while the projects were costly.

Dr Mahathir said majority of Malaysians need not have to pay income tax as they fall under the tax-exempted group while some evaded paying tax.

On the contrary, the government collected substantial revenue from taxes paid by the companies, he said.

He said not only the government earned income from the sale of projects to companies, it also received money through taxes which would be spent to build infrastructure projects like rural roads for the benefit of rural folks who do not pay income tax.

The government collects 28 per cent corporate tax from companies.

" For instance, if a company makes a RM2 million profit, it has to pay RM560,000 in corporate tax to the government," he said.

" If Bumiputeras who have the resources to take over, must we say no to them because they will become rich.

" By awarding them the projects, objectives of the National Economic Policy can be attained faster," he said.

Dr Mahathir ticked off the attitude of the Malays who were prepared to see other races becoming wealthy but did not want their own race to be rich.

He said majority of the Malays who became rich through privatisation often helped by making contributions and donations to fulfil their social obligation.

" If there are those who do not do so, they can be called up and reprimanded," he said.

"We cannot stop the privatisation programme just because one or two are stingy," he said.

Dr Mahathir also said the government still considered agriculture as an important sector but wanted the system and approach changed to boost the output by using limited manpower.

He cited the United States where 95 per cent of the people were farmers at one time but now only five per cent of them remained in the sector but their produce could meet the demand of 95 per cent of the American population.

Dr Mahathir also said Umno veterans were sincere to help the party explain the economic woes to the people particularly the rural folks.

However, their advice was not binding on the party and government, he added.

-- BERNAMA
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