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Fomca-Utilities

FOMCA URGES GOVERNMENT TO BUY CONTROLLING SHARES

KUALA LUMPUR, April 17 (Bernama) -- The Federation of Malaysian Consumer Associations (Fomca) today urged the government to consider buying controlling shares in privatised public utilities and basic amenity companies to protect the interests of the people.

Fomca secretary-general N. Marimuthu said the government could buy the controlling interest either directly through its investment arm like Khazanah Malaysia or the Ministry of Finance or indirectly through statutory bodies like the Employees Provident Fund (EPF).

"Privatisation does not mean that the government should wash its hands clean as is the case now but instead it should act as an institution and buy up controlling shares in all privatised public utilities like water and sewerage and privatised basic amenities like education and health," he said in a statement, here.

He said that without the controlling shares like in Puncak Niaga, there was nothing the government could do even if another water crisis were to happen.

However, he cautioned that the management of the utilities should be left in the hands of proven competent professional managers and not bureaucrats or entrepreneurs.

Marimuthu said the government-controlled privatised entity should act like a business entity and compete in the open market to ensure cost-effectiveness and provide for greater transparency and accountability.

He said Fomca was not against companies making profit as it was the very essence of business but the consumer body was against profiteering.

In the three-page statement, copies of which were sent to Prime Minister Datuk Seri Dr Mahathir Mohamad and his deputy Datuk Seri Anwar Ibrahim, Fomca said the present privatisation model, while suitable for private goods, was not very suitable for public utilities and needed to be re-examined.

Meanwhile, the Selangor and Federal Territory Consumers Association supported Works Minister Datuk Seri S. Samy Vellu's suggestion to create separate water authorities for Selangor and Kuala Lumpur.

Its deputy president, Dr Tilla Chelliah, said feedback received from the people in the federal capital showed that they believed a separate authority could serve them better and that they deserved better service for the high quit rent they paid.

-- BERNAMA

MNY JK