

26/06/1998

RM4m losses due to water woes

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TWENTY-four factories in Selangor and the Klang Valley hit by the water crisis have incurred losses of up to RM4.05 million in March and April, Minister of International Trade and Industry Datuk Seri Rafidah Aziz said.

Since then, complaints have ceased following the Selangor Government and Waterworks Department's measures to improve supply to the factories.

Rafidah said she had forwarded the list of 24 companies to Works Minister Datuk Seri S. Samy Vellu at a Cabinet meeting on Wednesday for further action.

"A total loss of RM4.05 million was indicated by the 24 companies that had on average seven interruptions during that period of about five weeks. Then, when the State Government and Waterworks Department stepped in, the complaints had eased off."

Rafidah was speaking after the opening of SMI Showcase '98 and Apec Cross-Border Linkages exhibition at the Putra World Trade Centre by Prime Minister Datuk Seri Dr Mahathir Mohamad.

Since the water crisis began, some factories in the Hulu Klang Free Trade Zone have been forced to cut production and have suffered losses running into millions.

Unable go on with such losses, they threatened to shift their operations elsewhere, a move which could cost the country billions in export earnings.

Rafidah admitted that some manufacturers were unhappy with the situation.

"Earlier, yes, they were all very upset when they see not much done in terms of response.

"They now understand that apart from our efforts to ensure they get water during times of inadequacy, the fact that the weather has changed for the better is also a positive trend."

She said she had not received any more complaints and that the situation would continue to be monitored.

The five-day SMI showcase and exhibition which ends on Monday, groups local small and medium-sized companies, multinationals and government agencies in the electrical, electronics and telecommunications industry.

She said the ministry and the Small and Medium-scale Industries Development Corporation, as organisers of the event, chose to focus on these sectors based on their excellent performance in terms of production and exports despite the slowdown.

This event promises another golden opportunity for SMIs and large companies to form linkages globally to enhance their value-added activities.

Earlier in her speech, Rafidah said 281 matchmaking sessions had been arranged between large companies and SMIs, and hoped more would register before the event ended.

"In the effort to strengthen the integration of domestic SMIs into the industrial mainstream, multinationals are urged to utilise local SMIs for the production of value-added parts and components and services, while they concentrate on the critical systems integration, testing or production of proprietary components."

Apart from linkages between large and small and medium-sized companies, linkages among SMIs are also encouraged.

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