

Tenaga will be main player: Dr M

SUN - 5 MAY 2001

Power supply will not be fully privatised as this has not proven effective as seen in some countries, says PM

By **R. Manirajan**
manirajan@thesundaily.com

KUALA LUMPUR, Fri: Prime Minister Datuk Seri Dr Mahathir Mohamad said the government will not fully privatise the country's power supply industry although the private sector will play an important role.

He said Tenaga Nasional Bhd would have an important role in the industry because it had extensive experience and that it was con-

trolled by the government which had been chosen by the people.

Speaking after a visit to Tenaga's headquarters in Bangsar here today, Mahathir said the private sector would only give priority to making profits, while Tenaga, besides making profits, would also aim at providing a convenience to the public.

"So we should not worry about the government wanting to follow the example of some developed countries by privatising all of its power supply."

Mahathir said some of these

countries had now realised that full privatisation may bring about blackouts.

"In Malaysia, we will balance the role of the private and public sectors, especially in the generation and distribution of electricity."

Mahathir also launched a teleconference between Unit No. 5 of the Sultan Salahuddin Abdul Aziz power station in Kapar, Tenaga's housing scheme in Pasir Gudang, Johor, the campus of Universiti Tenaga Nasional (Uniten) in Bandar Muadzam Shah, Pahang, and Kedai Tenaga Prosper in Taman

Tun Dr Ismail here.

On the increase in electricity tariff, Mahathir said it will be maintained till the end of the year.

Asked if Tenaga's profits may be hurt if not allowed to increase its tariff, he said the cost of electricity is related to the price of gas, adding that there is no need to increase tariff when the price of gas has not increased.

"We have noticed that there is too much reliance on gas now and there is no usage of other fuels when we have a four-fuel policy."

Mahathir said Tenaga is consid-

ering reverting to thermal power plants powered by charcoal or palm oil instead of relying on gas.

Asked on his hopes that Tenaga would make RM3 billion profit by the end of the year, when for the first six months of the year it made RM1.4 billion profit, he said with the demand for electricity mounting and Tenaga being more efficient, it would be able to achieve this target.

On Tenaga's role in Bakun, Mahathir said it would probably own most of Bakun if it wants to invest, adding that Bakun is looking brighter now.