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MAHATHIR-8MP

CAPABILITY OF PRIVATISED PROJECT AWARDEES TO BE ASCERTAINED

KUALA LUMPUR, 23 April (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad said that, before awarding privatised projects under the 8th Malaysia Plan (8MP), the government would ascertain the viability of the awardees.

"We will ascertain their capability to carry out the projects. Sometimes, their position is extremely fragile. The moment they come under pressure, they cannot move ahead. So we have to ensure the capability of those who are awarded privatisation projects," he told reporters after tabling the 8MP in Parliament today.

The criteria to be considered, he added, includes the awardee's financial strength, and the background of those involved in terms of their experience and expertise in managing each project.

Earlier, in tabling the 8MP, Dr Mahathir had said that the procedure for evaluating projects would be implemented with greater care involving the use of specialised consultants and external auditors, and the use of opinion polls to obtain the views of the public on privatised projects.

"At present, if we want to privatise a toll road or other similar project, we ask for the views of the public first. We consult the members of the public on whether they want the project or not", he said.

Meanwhile, the US economic slowdown would not affect the implementation of 8MP projects, he said. On the contrary, the projects would receive higher priority.

The PM explained that this was a way to energise the country's economic growth, to the extent that even unscheduled projects get speedily implemented.

"These are fiscal (tax-related) measures. In times of economic slowdowns, we must adopt expansionary budgets," he said.

In the 8MP, the privatisation programme gave the highest priority to projects that could promote economic growth and successful ventures while contributing towards the social engineering process.

Asked about the effects of the slowing US economy on Malaysian exports, the PM said exports depended on demand. Even if the prices of the traded products were lowered, the goods would still remain unsold if the demand was not there.

Because of this, it was a mistake for some people to say that the value of the ringgit (as pegged against the US dollar) should be reduced so that, from the foreign importers' viewpoint, the prices of the export-oriented products would fall, making them more competitive in the global marketplace.

On the effect of market opening measures on Malaysian goods, he said: "Malaysian exports, such as those manufactured goods that are not protected, will go on. Only those protected goods, like Proton cars -- we may even have problems in selling them in the domestic marketplace." --

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