

20/03/2001

Ex-SMET staff seek talks with Khazanah, ministry

Hamisah Hamid

FORMER workers of SME Technology Sdn Bhd (SMET), who were laid off following the closure of the company, are seeking a meeting with Khazanah Nasional Bhd and Defence Ministry.

SMET Workers Union president Mohamad Hassan Othman said the workers want to know the rationale behind the closure of the arms manufacturer as the company was making money and it had good expansion prospects.

"We want Khazanah and Mindef (Ministry of Defence) to sit with us for a discussion. "If they don't have strong reasons (for ceasing SMET's operations), they should re-hire us," he told Business Times in Kuala Lumpur yesterday.

SMET is a subsidiary of SME Industries Sdn Bhd (SMEI), which is owned by the Government through Khazanah Nasional.

Besides Steyr guns and other defence products such as heavy calibre ammunition and rocket launchers, SMET also produced engineering products such as precision fixtures and gauges, medical prothesis for orthopaedic use and precision ammunition and industrial tooling products.

A total of 202 SMET workers were retrenched in January and February when the company ceased operations due to the termination of the RM350 million contract for 106,000 Steyr guns by Defence Ministry.

Mohamad Hassan said the workers could not accept the expiry of the contract to produce Steyr assault rifles as the main reason for the closure of SMET.

"We dispute it because there is room for expansion.

"SMET has the facility and machinery, and with some upgrading, it can be used to produce a diversified range of defence and engineering products such as bullet-proof jackets, safety helmets or rocket launchers," he said.

The workers are also very skilled in weaponry as they have undergone training overseas and work with sophisticated machinery.

Mohamad Hassan said SMET had been profitable for the past 10 years of its operations as it received RM350 million worth of contracts to supply the Armed Forces with Steyr rifles.

The 1999 financial result saw the company registering a RM77 million profit.

According to him, the union feels that SMET's parent company, SMEI, is not concerned with the future growth of the defence industry.

The union believes that the main reason for the closure of the factory is to enable SMEI to invest SMET's profits to develop SMEI's aerospace arm.

Mohamad Hassan said the SMEI management decided to maintain the operations of another subsidiary, SME Aerospace Sdn Bhd, although it has been making losses. In 1999, SME Aerospace recorded a RM43 million loss.

He said the union will exploit all avenues to make their views on the matter heard.

He added that the union has written a letter to Prime Minister Datuk Seri Dr Mahathir Mohamad and approached the Defence Ministry, the Malaysian Industry-Government Group on High Technology and several individuals.

The union, which has postponed its plan to picket twice, does not rule out the action in future.

Mohamad Hassan said they will also approach non-governmental

organisations, but was quick to add: "We don't want this matter to be taken up by the opposition parties because once it is made a political issue, our objective to safeguard the workers' interests and the country's defence industry will not be met."

(END)