

20/08/2002

Computer scheme scrapped (HL)

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KUALA LUMPUR, Mon. - The Government has scrapped the Employees' Provident Fund's Computer Purchase Withdrawal Scheme (CPWS) with immediate effect.

EPF chairman Tan Sri Abdul Halim Ali said that as many who withdrew part of their savings under this scheme did not buy computers, it was only logical that it be discontinued.

The move brings to an end the scheme introduced in July 1999 to increase the use of personal computers in the country.

In an immediate reaction, Pos Malaysia and OdaSaja (M) Sdn Bhd, appointed by the Cabinet to manage the CPWS, said the scheme should be allowed to continue.

The scheme, they said in a statement, was the best solution to bridging the digital divide in the shortest time possible and help achieve the country's target of "one home, one computer" by 2020, or earlier.

The decision to scrap the scheme follows a comprehensive study into its effectiveness commissioned by the EPF, which on June 27 suspended the CPWS for three months following several cases of abuse.

Halim said in a statement that the study showed that 80 per cent of the personal computers in the country were not bought through this scheme, indicating that the "one computer, one home" ideal could be achieved without it.

The consultants appointed by the EPF also found that 66.5 per cent of members who withdrew their savings under the CPWS were from the lower income group, with average household incomes of between RM500 and RM2,500.

Halim said EPF members who genuinely want to buy computers should not be inconvenienced by the decision as there were several financing options with easy repayment terms available on the market.

On July 26, speaking in Pasir Gudang, Prime Minister Datuk Seri Dr Mahathir Mohamad had said the CPWS should be reviewed as it had been abused for quick monetary gains.

Before that, the Prime Minister had raised the issue during his winding-up speech at the Umno general assembly in June. He expressed regret that contributors were willing to fraudulently withdraw a part of their life savings under the pretext of buying a computer.

Dr Mahathir said the truth was they had each collected a few thousand ringgit in exchange for a receipt legitimising a purchase that had never taken place.

Earlier in March, the New Straits Times reported that EPF members were paying more than the market price for computers bought under the scheme despite Government assurances that they would not. The NST had found that those who bought established brands paid an average of RM200 more, while those who took generic brands paid as much as RM400 more.