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Dr M: No need to fear privatisation of water management

SHAH ALAM, Thurs. - The country will not advance or enjoy numerous benefits if the people resist change and close their minds to privatisation, Datuk Seri Dr Mahathir Mohamad said today.

The Prime Minister said that while a decision had not been made to privatise the management of water, the people should realise the benefits it could bring.

"If we do not dare privatise, the country will be left behind," he said at a Press conference after launching Favelle Favco Cranes (M) Sdn Bhd and a Malaysian-made crane called the Bangau.

Dr Mahathir was asked to respond to public opposition to a proposal to fully privatise water management. Some State Governments were also against the idea.

Consumer associations have also expressed concern that the public would be made to pay more for water.

Works Minister Datuk Seri S. Samy Vellu said yesterday that Malaysia may have to fully privatise water management soon as it was no longer viable for State Governments to shoulder the heavy role.

Samy Vellu said the current problems of water shortage, rust-coloured water caused by old pipes and the losses incurred by the departments, indicated how unfeasible the present arrangement was.

Dr Mahathir cited Telekom Malaysia Bhd and the country's highways as examples of the benefits of privatisation.

"Suppose Telekom was not privatised, we would not enjoy the service we have today.

"Because Telekom was privatised, it is making almost RM2 billion today. Those days we had to give Telekom RM200 million annually, now we do not have to give but instead receive taxes which we use to benefit the people."

He added that the North-South Expressway would have taken six to 10 years to complete if not for privatisation.

Asked whether the Government could reassure the people that they would be getting better quality water with privatisation, the Prime Minister said they could draw their own conclusions by making comparisons between the situation then and now.

"Those days, there were no expressways. With privatisation, we now have one of the best highway systems in Southeast Asia.

"Even with privatisation, the Government subsidises so toll is lower."

Dr Mahathir said if a government department wanted to carry out innovations on its own, it would take years by which time new products would already be out.

On claims that some of its privatisation projects such as Malaysia Airlines had failed and whether that should serve as a lesson, Dr Mahathir said: "Look at what happened to Swissair, it went bankrupt. A few airlines in the United States went bankrupt.

"Almost all airlines faced problems because of the economic problems."

Meanwhile, Deputy Prime Minister Datuk Seri Abdullah Ahmad Badawi said the Cabinet has not discussed the proposal to privatise water management nationwide.

He said the Government would consider the views of the people and other bodies before making a decision on the matter.

"The Government will also conduct an indepth study into the matter as

the main objective was to provide quality service which will benefit consumers," he told reporters after launching Shell Information Technology International (SITI) Sdn Bhd here.

He said the Government would not go into the privatisation exercise if it burdened or did not benefit the people.

"If we decide on privatising water management, then we will explain why we decided on it to the people," he added.

He gave the assurance that water tariffs would always be subject to government control.

On the 62 major water resource projects including 47 dams drawn up by the National Water Resources Council to meet demand until 2050, Abdullah said all water-related projects would be carried out by the Government.

"The Government is fully committed to ensuring that there is sufficient supply of water to meet consumer demand," he added.

The council's study includes a RM51.9 billion master plan for the development of water resources for the next 50 years.

Some of the projects to be implemented up to 2010 include the Jelebu and Batu Hempar dams in Negeri Sembilan, the Perak-Penang Raw Water Transfer, the Sayong dam in Johor, the Keruak dam in Terengganu and several others in Sabah and Sarawak.

In Miri, Deputy Chief Minister Tan Sri Dr George Chan said Sarawak would not privatise its water management.

He said the Kuching Water Board, Sibu Water Board and Lembaga Air Kawasan Utara (Laku) were capable of managing the State's water resources.

"Our water boards have been doing a good job ... they are also self-financing. Therefore, we have no reason to privatise them."

Dr Chan said consumers' interest could be adversely affected in the event privatisation failed.

"We have seen that the privatisation of certain sectors has failed. Privatising our water boards will put the consumer and the Government at the mercy of the private entity.

"What is going to happen if the private company raise water tariff? Consumer will suffer so I don't think it is prudent to privatise our water boards."

He said the State Government would continue with its conservative privatisation policy to protect the interest of the State and the people.

"If there is a private entity which can do a better job we are prepared to let them do it. But we are satisfied with the existing water boards' management," he said.

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