

16/09/2003

Blackout - A preview of worse things to come

A Kadir Jasin

LIFE in the village went on as usual - almost - when the electricity blackout occurred on the morning of Sept 1. 'Almost' because even life in the village is, these days, closely linked to modern amenities like water, electricity and the telephone. Any disruption in these services is bound to cause inconvenience.

Things in the refrigerator started to melt, the washing machine came to a halt and the rice was half cooked.

But at my parents' house in Kedah, one of the five affected states, the sign that life is so closely linked to electricity was most obvious in my father's little concrete fish pond.

The keli (catfish), kaloi (giant gourami) and an assortment of fresh water fish caught in the surrounding waterways were gasping for breath when the dead water-pump deprived them of the generous supply of oxygen that they were used to.

Fortunately, no death or serious injury was reported although the blackout that also affected Perak, Penang, Perlis and Kelantan caused pandemonium as people were stuck in lifts, traffic piled up at road junctions and air-conditioning stopped.

And praise be to God that the blackout also affected the one man that Tenaga Nasional Bhd (TNB), the national electricity supplier, was most likely to be afraid of - Datuk Seri Dr Mahathir Mohamad.

The newspapers on the following day carried a picture of the Prime Minister shopping at a stall in Penang in partial darkness, with an accompanying report that he had ordered TNB to investigate the blackout.

Although TNB was quick in detecting the cause of the blackout and restoring supply, the fact that it happened during routine maintenance work on a spare line should serve as a warning.

It does not take an act of sabotage or natural phenomena like lightning to disrupt electricity supply. The ineptitude of TNB staff can cause as severe a problem.

So, instead of being in a congratulatory mood for their success in quickly detecting the fault and restoring supply, the TNB top brass should be grateful to God that the incident was not more serious.

While the blackout might not be anywhere near the magnitude of the last major power failure that happened in August 1996, when nearly all of Peninsular Malaysia was in the dark for some 14 hours, or as bad as last month's blackout in the United States and Canada that left 50 million people in darkness for a day and a half, it could be a preview of worse things to come.

Let us hope that the good people at TNB will not use the American, Canadian and British blackouts to benchmark their expertise and efficiency. We cannot measure ourselves against the failures of other people, not even when they happened in advanced countries like the US, Canada and Britain.

Logically, it should be easier for TNB to maintain a high standard of efficiency and security of supply given the fact that our electricity system is smaller and less complex compared to the American and European electricity generation and distribution systems.

In the final analysis, the suppliers or providers of public services like TNB, Telekom Malaysia Bhd and state water companies must be held responsible for the economic losses suffered by the country as a result of

their inefficiency.

Thus, it is heartening to see that more and more aggrieved consumers are suing state and private companies for breach of contract and other failures with the help of the legal fraternity.

LOVE YOUR COUNTRY, BUY MALAYSIAN

CIVIL servants and executives of government-controlled companies must be held responsible for their failure. In the case of the last major power failure, several key personnel of TNB were penalised and the company's command and control structure was reorganised.

They should not only be punished for corruption, criminal breach of trust and abuse of power. These are punishable crimes. But any act by a civil servant and executive of state-owned corporations that amounts to the dereliction of duties can be as harmful to the public. The perpetrators must be punished.

We cannot hope to increase and improve the efficiency of the economy when civil servants and executives of state-owned companies are rewarded (with bonuses and hefty perks) for doing the minimum and spared punishment when they cause harm to the economy.

It must be acknowledged that despite the progress of the past three decades, our economy is neither the most productive nor the most competitive.

No economy can be considered productive and competitive when workers at the prime of their life are employed as toll collectors, toilet cleaners and grass cutters. Elsewhere, these are jobs for retired people.

On the other hand, with foreign direct investment, which in the past several decades had been instrumental in creating jobs for the country's growing population, drying up, the pressure on the job market is bound to increase.

Globalisation aside, the protection of the domestic job market cannot be overlooked. While tariffs can no longer be employed with impunity to protect local industries, there are non-tariff measures that can be used to give local industries and workers an edge.

Yet, because of self-interest and shortsightedness, local industries and workers are often put at a disadvantage simply because imported goods and services are cheaper.

This happens even with government contracts. Foreign manufacturers and suppliers, working through well-connected agents and lobbyists, are being favoured over local manufacturers and workers simply because they are able to undercut.

Yet, not a day passes by without the government urging local manufacturers to invest in research and development (R&D), and coaxing the people to buy locally made goods via the 'Buy Malaysian' campaign.

Cost-effectiveness and accountability aside, nobody in his or her right frame of mind would complain if the government paid a few per cent more to buy locally manufactured goods, be it for the ministries, the Istana (royal palaces) or foreign missions.

The era of only 'Made in England' goods are good has long gone. Today, some of the most established British and international names like Crabtree & Evelyn, Laura Ashley and Crown Lynn are owned by Malaysians, with some of their products even being made in Malaysia.

Still, there are those in government who insist we should buy British, Italian, German and Swiss for our royal palaces and other state-owned establishments when most of their products are actually made in China, Vietnam, Turkey, Mexico and Thailand.

PROTON AND PERODUA: TIME TO REV THINGS UP

NOWHERE is the effect of global competition more obvious than in the automobile industry.

Several major developments have taken place in the local automobile market in recent years, which signify the growing openness of the Malaysian automobile market.

Perusahaan Otomobil (sic) Nasional Bhd (Proton), which once held the lion's share of the local market, partly because of tariff protection, may not be able to hang on to its market share much longer.

It may continue to sell more cars as opposed to other carmakers but may no longer compete purely on price advantage. Without tariff protection and with the rapid expansion of the motor industry in neighbouring countries, in particular Thailand, Proton has to seek new ways of maintaining its dominance.

The assertion by some officials that the price of motor vehicles would not fall despite market liberalisation could not have been more misleading. Today, a patient and market-savvy car buyer can enjoy hefty discounts and rebates on new and used cars.

Any notion that Proton and Perusahaan Otomobil (sic) Nasional Kedua Bhd (Perodua) can maintain their prices and still be attractive to buyers is at best a fallacy. Many competing makes and models are being retailed at more or less the same price as most Proton and Perodua models, while others are being offered at hefty discounts.

Proton and other local carmakers can hope to continue to maintain their market dominance only if they continue to improve on the quality of their products through greater R&D, and raise their productivity.

Without tariff protection and faced with the rapid expansion of the automobile industry of neighbouring countries, the local carmakers have to be competitive in all aspects of manufacturing, marketing and after-sales service.

The recent introduction of American automobile brands, starting with Chevrolet by Hicom DRB, is another example of the growing competition in the domestic car market.

American brands had been absent from the Malaysian market for nearly 50 years because they were not competitive. But today, American carmakers are able to sell their products in Asia because they now produce their cars in Asian plants.

Having protected the local market in favour of Proton and other locally made automobiles for nearly two decades since the launch of the Proton Saga in 1986, the country has also suffered some competitive disadvantages.

To be able to compete effectively in the liberalised regional market, the country has some catching up to do. The hopes rest with Proton and the National Petroleum Corporation (Petronas) spending more time and efforts on R&D.

The former has made an initial impression on the global automobile industry as a designer of high-quality and good-looking cars with the launch of Proton Waja (known as Impian in the United Kingdom), while the later is active in engine development through its Sauber F1 racing team.

Competition and globalisation aside, the protection of the domestic market is not altogether invalid. We have every right to protect our market against polluting vehicles, in particular the out-dated two-stroke motorcycles, which are being dumped by their manufacturers who are facing environmental restrictions at home.