

Govt must retain control

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Najib: National interest must always be safeguarded

JEDDAH: The Government must always retain ultimate control over tariffs and review the process of monopolistic industries like power, telecommunications, water supply and highways, said Datuk Seri Najib Tun Razak.

"In designing contracts, we must avoid in-built automatic escalation of tariffs that are not linked to performance and quality of services provided," he said.

The Deputy Prime Minister said the Government should remain mindful of public concerns over tariff rates and increases.

If this was left to privatised entities, he noted, it would be based on

market forces.

Najib was speaking on Malaysia's privatisation programme experience in his closing keynote address at the Jeddah Economic Forum 2007 yesterday.

He said Malaysia's Privatisation Master Plan managed to privatise 490 public sector activities, agencies and projects by December 2005 which had considerably reduced the financial and administrative burden of the Government.

Other than needing to retain control over the tariffs of key industries, another lesson learnt was that

whenever possible, the Government should allow for competitive bidding for privatised assets and concessions, he said.

The Government also needed to ensure that the process was transparent and fair, he added.

Najib said if opportunities were to be provided to Muslims or its own citizens above others, the Government must ensure that only the most capable were selected.

"Putting these terms in place not only encourages their success but also minimises the risk of the Government having to pay should

they fail," he added.

Najib said there was also a need to ensure a balance of power and skills between the Government and the private sector.

He said the Government should have the capability to identify and evaluate the commercial, technical and financial viability of all projects with the potential for privatisation and then ensure that civil servants can negotiate with private sector parties to protect taxpayers' interests.

When appropriate and necessary, he said, the Government should have the flexibility to retain external advisers like lawyers, bankers and consultants to assist in negotiations.

"The Government should ensure that we ultimately safeguard the national interest," he added.