

Suggestions for Public Sector Undertakings

- i. Establishment of public enterprises be based purely on economic and social welfare consideration rather than political pressures.
- ii. Public sector units should be allowed to raise larger deposits from the public. In fact, they have been allowed to raise public deposits up to 35 per cent of their share capital.
- iii. Before the installation of these enterprises, pre-investment surveys should be conducted thoroughly. Delays in the installation of units should be avoided.
- iv. Sick public sector units should be merged together to make them economically viable units. There should also be restructuring of loss-making enterprises.
- v. Disinvestment of a part of Government holdings in the share capital of selected public sector enterprises in order to provide market discipline and to improve the performance of the public enterprises.
- vi. Managing of these undertakings should be entrusted to the trained and skillful personnel.
- vii. The price policy of the public sector undertakings should aim at improving the profitability of the public undertakings. These profits can later on be used for the establishment of new enterprises, expansion and modernisation of the existing units.
- viii. All-out efforts should be made to make fuller utilisation of the capacity in different enterprises.