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KUALA LUMPUR,

Mon. — Fima will soon set up a second factory to produce cans at Prai, its new chairman, Dr. Mahathir bin Mohamed, said here today.

Its first factory in Johore, the Malaysian Can Company, is now supplying 50 million cans a year mainly to the Pineapple Cannery of Malaya, a wholly-owned subsidiary of Fima.

Dr. Mahathir said there was a need to set up a second company to break the monopoly of the established manufacturers which could not supply cans to smaller concerns.

The can-making industry in Johore could supply its products to other industries related to food processing.

\$45m sales

There was scope for a second company. The Prai company would go off the ground next year.

Machinery for the plant had been ordered. It would service the smaller industries and break the monopoly of the bigger and more established manufacturers in this field.

On the pineapple industry, Dr. Mahathir said Malaysia's sale of canned pineapple amounted to \$45 million last year.

The share of the Pineapple Cannery of Malaya accounted for \$15 million of total sales.

Fima was looking into the problem why the cannery was not making profits. This could be attributed to the high cost of production especially the increase in the price of sugar and tin plates over the years.