

25 per cent cutback in tin output

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KUALA LUMPUR, Tues. — Malaysia will cut back its tin production by about 15,000 tonnes "as soon as possible" to protect itself from the vagaries of the international tin market, **Datuk Seri Dr Mahathir Mohamad** said today.

The Prime Minister added that the 15,000-tonne cut-back, amounting to about 25 per cent of Malaysia's annual production, would be "spread over a period of time."

He said production cut-backs and the formation of an association of tin producing countries were some of the matters which the Government was considering seriously.

"We have noticed in the past that there has been a little bit of lawlessness in the tin market. Prices have been depressed or increased without any rhyme or reason," he told a Press conference.

"The free market is found to be not so free after all," he added.

Datuk Seri Dr Mahathir said far too much of Malaysia's national revenue depended on tin which was being sold outside the country "where we have no influence over the process of buying and selling."

He added that the Government had decided to reduce Malaysia's dependence on tin as a source of revenue.

Besides the cut in production, Malaysia would also initiate a common marketing arrangement among producing countries, to sell direct to consumers.

Datuk Seri Dr Mahathir added that the cut-back was being carried out purely in the interest of Malaysia and was not meant to cause a shortage of tin in the market or to push prices up.

He said that 15,000 tonnes was not a big cut-back for the world, but it was very big for Malaysia.

"We have to ensure that Malaysia is not held to ransom all the time because the country depends so much on tin as a source of revenue.

"We have to protect ourselves from the vagaries of the tin market which is not within our control," he added.

He said Malaysia, the world's largest tin producer, would not discuss its cut-back with other tin producers as it was an internal matter.

The Prime Minister added that Malaysia would not mind even if other producing countries increased their production.

On the proposed association of tin producing countries, he said Malaysia would take the initiative to set it up.

He added that Primary Industries Minister Datuk Paul Leong would

accompany Deputy Prime Minister Datuk Musa Hitam to Indonesia later this month to discuss the matter.

"I have already spoken to Indonesian Foreign Minister Professor Mochtar Kusumaatmadja about it. We will also be contacting the other tin producing countries about it."

Datuk Seri Dr Mahathir said it was Malaysia's intention to see that tin fetched a fair price.

He said Malaysia had always emphasised the need for co-operation between producing and consuming countries but found that such co-operation was not forthcoming.

"Malaysia had always been a moderating influence, but we find that our moderating voice is not having any effect at all and we are made to suffer more than others."

The Prime Minister said that, if possible, Malaysia would do direct selling of tin in future.

Malaysia would bypass trading practices which were detrimental to its interest.

When asked to deny allegations from tin consuming countries that Malaysia was behind the support-buying of tin, he replied: "Are you accusing me of manipulating the tin market?"

He said he never thought that he would be accused of it and added that there was no reason for him to deny it.

"I don't even know what tin is all about," Datuk Seri Dr Mahathir added.