

PARLIAMENT-HICOM

BM

83
KUALA LUMPUR, NOV. 8 (BERNAMA) DATUK SERI DR. MAHATHIR MOHAMAD TODAY STRESSED THAT THE GOVERNMENT'S OBJECTIVE IN SETTING UP THE HEAVY INDUSTRIES CORPORATION OF MALAYSIA (HICOM) WAS TO ENSURE LOCAL INDUSTRIAL DEVELOPMENT AND NOT AS A COMPETITOR TO THE PRIVATE SECTOR IN THE FIELD.

THE PRIME MINISTER TOLD DEWAN RAKYAT THAT TO THE CONTRARY THE PRIVATE SECTOR WOULD BENEFIT FROM THE ESTABLISHMENT OF HICOM.

IN REPLY TO THE QUESTION BY ENCIK LEE LAM THYE (DAP- KUALA LUMPUR BANDAR), HE SAID THE MOTORCYCLE ENGINE PROJECT FOR EXAMPLE WAS EXPECTED TO ENCOURAGE THE PRIVATE SECTOR TO PRODUCE OTHER COMPONENT PARTS FOR THE MACHINE.

DATUK SERI DR. MAHATHIR SAID HICOM WOULD ENSURE BASIC MATERIALS AND SEMI-COMPLETED PRODUCTS FOR USE BY OTHER INDUSTRIES.

IN CERTAIN INSTANCES, HICOM MAY PARTICIPATE IN PROJECTS CARRIED OUT BY THE PRIVATE SECTOR.--MORE 1800/HM

ZCZC N094

PARLIAMENT-HICOM 2 KUALA LUMPUR

THE PRIME MINISTER SAID BESIDES THE CEMENT FACTORY IN PULAU LANGKAWI HICOM WAS ALSO PLANNING TO ESTABLISH A SECOND STEEL FACTORY IN TERENGGANU WITH A COST OF \$1,650 MILLION.

DATUK SERI DR. MAHATHIR SAID THE HICOM'S POLICY WAS TO IMPLEMENT ITS PROJECTS ON A JOINT-VENTURE BASIS WITH LOCAL AND FOREIGN INVESTORS LIKE THE NIPPON STEEL CORPORATION PROJECT IN TERENGGANU.

IN THIS WAY THE JOINT VENTURE PARTNER COULD BE ABLE TO TRANSFER TECHNOLOGY, TECHNICAL EXPERTISE, MANAGEMENT AND MARKETING TECHNIQUES TO HICOM.

AT PRESENT HICOM WAS OBTAINING ITS MANAGEMENT EXPERTISE FROM BOTH LOCAL AND FOREIGN COSULTANTS TO CARRY OUT ITS PROJECTS PARTICULARLY TECHNICAL ONES.--MORE 1802/HM

HICOM 3 KUALA LUMPUR

DATUK SERI DR. MAHATHIR SAID IT WAS HICOM'S DESIRE TO BUILD THE EXPERTISE AND EXPERIENCE AMONG MALAYSIANS TO MANAGE HEAVY INDUSTRIES THROUGH ITS VARIOUS PROJECTS.

ON THE MANPOWER NEEDS, THE PRIME MINISTER SAID AT PRESENT ITS STAFF WAS SMALL IN VIEW OF ITS NEWNESS AND THAT ITS PROJECTS WERE IN THE INITIAL STAGES OF PLANNING AND BUILDING.

HOWEVER, HE SAID, THE STAFF WOULD BE INCREASED THROUGH VARIOUS TRAINING COURSES THAT HAVE BEEN PLANNED BOTH LOCALLY AND OVERSEAS.

TO A SUPPLEMENTARY QUESTION FROM ENCIK SHAMSURI HAJI SALLEH (BN-BALIK PULAU), HE SAID THE HICOM'S EQUITY IN THE CAR MANUFACTURING VENTURE WOULD BE 70 PER CENT AND THERE WAS POSSIBILITY OF CHANGE.

HOWEVER, HICOM'S EQUITY IN THE MOTORCYCLE ENGINE PROJECT WAS MUCH LESS COMPARED WITH THE INVESTMENTS BY FOREIGN AND LOCAL INVESTORS.

TO ANOTHER SUPPLEMENTARY QUESTION FROM ENCIK PETER CHIN GAN ONN (BN-IPOH) HE STRESSED THAT HICOM HOPED THAT THE COST OF ITS PROJECTS COULD BE COVERED BY THE MARKETING OF ITS PRODUCTS.

--MORE 1750/AN

PARLIAMENT-HICOM 4 KUALA LUMPUR

DATUK SERI DR. MAHATHIR SAID HICOM DID NOT NEED MONEY IMMEDIATELY BUT OVER A STAGGERED PERIOD UNTIL 1990 AND IT WAS HOPED THAT BY THAT TIME THE RECESSION WOULD HAVE BEEN OVERCOME.

TO A SUPPLEMENTARY QUESTION FROM HAJI HASHIM ENDUT (BN-HULU MUDA) HE SAID HICOM WAS PARTICIPATING IN THE CEMENT PROJECT BECAUSE IT WAS EXPECTED THAT THE DEMAND FOR CEMENT WOULD INCREASE IN FUTURE AND THAT EXISTING COMPANIES COULD NOT COPE WITH IT.

BESIDES, HE EXPLAINED, SINCE THE CEMENT FACTORY WAS BESIDE A SEA AND NEEDED A PORT, ONLY THE GOVERNMENT COULD AFFORD SUCH HIGH COSTS.

TO A SUPPLEMENTARY QUESTION FROM ENCIK LEE LAM THYE, THE PRIME MINISTER SAID THE PROCESS TO BUILD A MADE-IN-MALAYSIA CAR HAD INITIALLY BEGUN ON A JOINT-VENTURE BASIS BETWEEN HICOM AND A JAPANESE COMPANY.

THE JAPANESE WOULD ONLY PROVIDE THE TECHNOLOGY NEEDED BY HICOM, HE SAID IN REPLY TO A SUPPLEMENTARY QUESTION FROM ENCIK KADRI SABRAN (BN-TENGGAROH).

--BERNAMA 2120/AN