

0523

U E698 AAE
PARLIAMENT-STEEL
BM

(9)

KUALA LUMPUR, OCT 23 (BERNAMA) -- PRIME MINISTER DATUK SERI DR MAHATHIR MOHAMAD SAID THE GOVERNMENT HAD TO INCREASE THE TARIFFS ON STEEL IMPORTS RECENTLY TO PREVENT FOREIGN COUNTRIES FROM SELLING SUCH PRODUCTS AT PRICES LOWER THAN PRODUCTION COSTS HERE.

IN REPLY TO A QUESTION BY ENCIK PETER CHIN GAN OON (BN-IPOH), HE SAID SUCH PROTECTION WAS NECESSARY BECAUSE OF THE POSSIBILITY OF +DUMPING+ BY FOREIGN COUNTRIES WHICH COULD AFFECT THE STEEL MILLS OWNED BY THE HEAVY INDUSTRIES CORPORATION OF MALAYSIA (HICOM).

DATUK SERI DR MAHATHIR SAID THE MOVE WAS ALSO TO ENSURE THAT LOCAL MILLS WOULD BE ABLE TO COMPETE WITH FOREIGN PRODUCERS.

ON THE SETTING UP OF THE TWO STEEL MILLS IN TERENGGANU AND SABAH, HE SAID IT WAS NOT AIMED AT LOCAL DEMAND ONLY.

THE SABAH MILL WAS TO CATER FOR EXPORT WHILE THE TERENGGANU PLANT WOULD SERVE LOCAL NEEDS. -- MORE

PARLIAMENT-STEEL 2 KUALA LUMPUR

THE PRODUCTS OF THE TWO MILLS WERE DIFFERENT AS TERENGGANU WOULD PRODUCE SPONGE IRON WHICH WAS MOSTLY TURNED INTO STEEL BILLETS AND THE SABAH PLANT WOULD CHURN OUT HOT BRIQUETTED IRON ONLY.

IN REPLY TO A SUPPLEMENTARY QUESTION BY DR TAN SENG GIAW (DAP-KEPONG) ON WHY MALAYSIA SHOULD MANUFACTURE STEEL WHEN IT WAS AVAILABLE CHEAPLY FROM JAPAN, DATUK SERI DR MAHATHIR SAID: +ACTUALLY, IF WE WERE TO VIEW IT FROM THAT ANGLE, WE NEED NOT IMPLEMENT ANY KIND OF INDUSTRIES AT ALL BECAUSE MOST PRODUCTS CAN BE OBTAINED AT A LOWER PRICE FROM OTHER COUNTRIES.+

+BUT WE WILL FOREVER REMAIN A NATION OF PADI PLANTERS AND OUR COUNTRY WILL REMAIN FORESTED IF WE DO NOT START ANY KIND OF INDUSTRY.+ HE SAID.

HE SAID IT WAS USUAL FOR GOODS TO BE MANUFACTURED CHEAPLY IF PRODUCED IN QUANTITY BUT THIS WAS NOT FEASIBLE NOW AS THE POPULATION WAS STILL SMALL.

TO ANOTHER QUESTION WHY THE GOVERNMENT LAUNCHED HEAVY INDUSTRIES DURING THE PRESENT ECONOMIC SLOWDOWN, THE PRIME MINISTER SAID THE STEEL PLANT WAS NOT A MAJOR PROJECT AS IT ONLY HAD A YEARLY PRODUCTION CAPACITY OF 600,000 TONNES COMPARED WITH JAPAN'S TWO OR THREE MILLION TONNES ANNUALLY.

HE EXPLAINED THAT IT TOOK A LONG TIME FOR ANY PROJECT TO REACH GESTATION= WHEN THE STEEL MILL PROJECT WAS PLANNED, THE WORLD ECONOMIC SITUATION WAS BRIGHT BUT AT THE STAGE OF IMPLEMENTATION, THE RECESSION HAD SET IN. -- BERNAMA

1931MST 23 10 85