

-Dr M: Mill can go ahead if viable-

TAIWANESE state-owned company China Steel Mills Co can set up its \$8 billion integrated steel mill in Malaysia if it can assure the Government that the project is commercially viable and with enough demand overseas.

Prime Minister Datuk Seri Dr Mahathir Mohamad said this is important because Malaysia is not a big consumer of steel and therefore the bulk of the products needs to be exported.

"If the company wants to invest, then it must make sure of the market first. Otherwise, the Government is quite prepared (to accept the proposal) as long as it conforms with environmen-

tal and other regulations," he said in Kuala Lumpur yesterday.

Speaking to reporters after officiating at the inaugural meeting of the Taipei Investors' Association in Malaysia, Datuk Seri Dr Mahathir said the Government is also willing to invest in a new port as requested by China Steel Mills.

"We do have ports suitable for steel plants but nevertheless we are prepared to invest in a new port provided we can see there are good returns for us.

"Like for everybody else, the proposal should be a commercial proposition for the Government. We just don't invest in a port un-

less the company can assure the returns are good," Datuk Seri Dr Mahathir said.

China Steel Mills has in fact planned to set up the plant in Malacca but on Monday the State Government was forced to reject it as it could not find enough land as needed by the company.

Initially Tanjung Kling was proposed by the Malacca Government but a study showed that the area is insufficient as Petronas is building an oil refinery there.

The \$8 billion steel mill requires about 1,000 ha of land. When completed the mill is expected to provide 10,000 jobs.

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