

PM: 'Port charges may be reduced

By Saiful Azhar Abdullah and Rajesh Taluar

GURUN, Fri. --The Government may consider a slight reduction in port charges if this could expedite the pace of industrial development, Prime Minister Datuk Seri Dr Mahathir Mohamad said today.

"However we will have to see whether there is any justification in reducing the charges," Dr Mahathir told reporters after visiting the Perwaja Steel Sdn Bhd's \$1.5 billion rolling mill here.

"Although certain parties may incur a slight loss, other parties may benefit from such a move," he added.

Dr Mahathir was asked to comment on Perwaja Steel managing director Tan Sri Eric Chia's earlier explanation in his briefing to the Prime Minister on the company's decision to transport its billets from Kemaman in

Terengganu to the Gurun plant by truck instead of ships.

Chia had explained to Dr Mahathir that it was more economical to transport the billets by road than sea in view of the high port charges at Kemaman and Penang.

He said the cost of transporting the billets by sea could reach \$120 per tonne whereas road transportation cost only \$67 per tonne.

Chia suggested that port charges be revised to make the rate more competitive.

He also ruled out using rail service due to its poor reliability while road transportation could provide door-to-door service.

On the rolling mill project, Dr Mahathir hoped that it would be a nucleus to stimulate the growth of heavy industries in Kedah.

He was confident that more heavy industries would be established in Gurun following the setting

up of the rolling mill which would supply raw materials to the industries.

Dr Mahathir said Perwaja Steel's project was the second heavy industry established in Kedah after the Kedah Cement in Langkawi island.

He said the rolling mill had great potential for expansion and it was expected to attract more heavy industries to the State.

The Prime Minister indicated that a petro-chemical industry would be established in Kedah when the gas utilisation project was implemented.

Asked about public concern that the rolling mill would affect the environment, Dr Mahathir said the people must choose whether they wanted development or the traditional lifestyle of padi planting or rubber tapping.

"We will never earn better incomes by depending on padi planting and rubber

tapping.

"If we want our country to be rich, we will have to experience slight pollution. However, we will always strive to reduce pollution," he added.

Dr Mahathir was confident that the Gurun people had no complaints about pollution in the area because they had never complained about the foul smell emitted by nearby rubber factories for years.

On the progress of the project, the Prime Minister said he was more than satisfied because work was progressing well.

"Perwaja has created a record of sorts by building its office (26,200 sqft) in just 35 days," he added.

Earlier, Dr Mahathir arrived at the site in a bus accompanied by, among others, Menteri Besar Tan Sri Osman Aroff. State dignitaries and Chia. After Chia's briefing, the Prime Minister toured the site.