

Mahathir: Steel makers need not fear losing market

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LOCAL steel manufacturers will not lose their market to Perwaja Steel Sdn Bhd when the plant becomes fully operational despite the high quality of Perwaja steel wire rods and bars.

Prime Minister **Datuk Seri Dr Mahathir Mohamad** said the output from Perwaja's plant would not be used for construction.

"Output from this plant will only be used as raw materials to process downstream products such as springs, ball bearings and hydraulic couplings which all need steel of special quality," he said after launching the Perwaja plant in Gurun, Ked-

ah on Saturday.

Mahathir said output from Perwaja would also reduce the country's reliance on imported steel, estimated at 200,000 tonnes per year, while increasing steel and metal exports.

"Exports of steel and metal products have shown a rapid increase from RM250 million in 1981 to RM1.06 billion in 1991. With higher quality steel from this plant, exports of metal products is expected to increase in the years to come," he said.

Last year, Malaysia's per capita consumption of steel rose to 220 from 41kg in 1981. The country's total consump-

tion of steel is expected to increase 10 to 15 per cent annually from this year.

Local production of iron and steel has also risen in the last six years, from 1.6 million tonnes in 1987 to 3.4 million tonnes in 1991.

"Looking at such statistics and the great need for local supply, the construction of this plant is timely," Mahathir said.

With the Perwaja Kemaman plant doubling its billet production from 600,000 to 1.2 million tonnes after being upgraded this year, it becomes a permanent source of raw material for the Perwaja plant in Gurun.

He said local manufacturers should not rely wholly on imported technology but should do research and development of their own.

"I hope the Perwaja plant in Gurun will pave a way to increase local research and development to keep us competitive in the production of steel products. I also hope local steel manufacturers would be more aggressive in their efforts to market and export their products.

"This could be done by improving their marketing network as well as increasing the quality of their products," he said. — By **MOHAMAD AZAM ALI**