

# Seek new markets in Asia, steel makers told

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BUTTERWORTH: Local steel manufacturers should exploit new markets in East and Central Asia to overcome the slowdown in the steel industry.

Prime Minister Datuk Seri Dr Mahathir Mohamad said yesterday the decision of the United States to impose countervailing duties and anti-dumping restrictions was worrying many countries which had signed multilateral steel agreements.

"These countries now have to find alternative markets or reduce production. But this is not an easy choice because the world steel industry is now in a less healthy state."

Opening a wire rod mill at the Prai Industrial Estate near here, the Prime Minister said steel manufacturers should have a strategy to ensure prices of their products remained stable, adding

that they must be disciplined in their production.

Dr Mahathir said steel fabrication and making machineries showed great potential particularly if importers were able to source their components locally.

He urged steel manufacturers to upgrade their competitiveness to cope with the demand from the local and overseas market in the face of expected overproduction in the industry.

Dr Mahathir said the need to be more competitive was more pressing now with the implementation of the Common Effective Preferential Tariffs scheme in the Asean Free Trade Area (Afta).

"The steel industry should take the advantage from the Afta and diversify their products," he said, adding that it would upgrade their capability to penetrate the region.