

# PM: Good potential for granite-processing sector

THERE is great potential for the local granite-processing industry with the rapid growth in the construction sector, Datuk Seri Dr Mahathir Mohamad said yesterday.

Builders, the Prime Minister said, preferred granite for various purposes.

Elaborating on the bright prospects of the granite industry, Dr Mahathir said: "The industry is still new to Malaysia and the first company, out of four approved, only began its operations in late 1991.

"Before this, only marble tiles and slabs were popular in the construction of houses, hotels and commercial buildings," he said at the opening of the Prime Granite (Malaysia) Sdn Bhd granite-processing factory at Bakar Arang Industrial Estate in Sungai Petani.

But marble tiles and slabs were found to be less durable and needed more care to keep them attractive, while granite tiles and slabs were found to be more durable and required no intensive care.

Dr Mahathir said the production of building material had increased last year, adding that the latest estimates showed that demand and supply of such items were rising at between 15 per cent and 20 per cent annually.

The construction sector was also expected to improve this year with a 11.7 per cent growth, he said.

Dr Mahathir said to boost the production of granite tiles and slabs, the Government had offered tax incentives to manufacturers.

"Polished slabs from lo-

cally-sourced granite has been accorded pioneer status," he said, adding that the incentive was for companies which used at least 50 per cent local granite.

Dr Mahathir believed that the biggest export potential for granite was in polished granite tiles and slabs.

The use of granite in the design of commemorative plaques will also add value to the material.

Dr Mahathir also touched on the progress of the manufacturing sector which had reached impressive levels.

While the economy had grown at about eight per cent a year between 1988 and 1993, the manufacturing sector grew by 12 per cent and increased the GDP from 26.9 per cent in 1990 to 30.1 per cent last year.

Dr Mahathir also reiterated the need to control inflation as a way to maintain the cost of living at its lowest level. A low cost of living can increase the purchasing power of the ringgit.

"That is why the value of workers' salaries is more than its actual amount.

"As long as we can curb inflation, the production costs will continue to remain low and we will be able to compete in the local and foreign markets. But if inflation rate rises, our incomes may also increase but our purchasing power will be lower," he said.

Also present were Menteri Besar Tan Sri Osman Aroff and Datin Seri Dr Siti Hasmah Mohd Ali.

Dr Mahathir, accompanied by Prime Granite chairman Mokhzani Mahathir, later toured the factory.