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WAFER PROJECT STILL ON, SAYS LG OFFICIAL

By: Siti Hawa Othman

KUALA LUMPUR, March 20 -- South Korea's LG Group is committed towards making the US\$1.3 billion (RM3.25 billion) semi-conductor plant at the Kulim Industrial Park a success, a senior official of the company said today.

Dr Lee Chong Suk, the group's senior managing director, said the group, which has similar plants in other countries, was definitely going on with the project and operations are expected to begin in 1997.

"There are no changes to our plans to produce wafer from this plant," he told Bernama when asked to comment on foreign newsreports which claimed that the project had been shelved by the government.

Wafer is an important component in the manufacture of semi-conductors.

He said this after a presentation on the company at a symposium on "Asian Outbound Investment, Trade and Financing Strategies" here today organised by the Malaysia South-South Corp Bhd and Multilateral Investment Guarantee Agency of the World Bank group.

On Monday, when asked by reporters, Prime Minister Datuk Dr. Mahathir Mohamad denied that the project had been shelved, saying the project was on.

The newsreport had claimed that the project was shelved due to the assumption that "it was too sweet a deal."

Lee said "there is no truth to that report because I attended the company's meeting just last week and there is no development of that sort,".

He said LG is keen to make this wafer project a success as it is part of its globalisation strategy for the region, adding that the company always had a good rapport with the Malaysian government.

He said the company is keen to invest further in Malaysia as it provided good merits for hi-tech industry.

The wafer plant is a joint-venture between LG and Hitachi Group of Japan, with the Koreans holding 49 percent. Construction work would probably start in June or July this year, he said.-- BERNAMA

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