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Boosting petrochem industry under plan

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THE chemical and petrochemical industry will be developed as a clustered international network in the next 10 years under the Second Industrial Master Plan, Datuk Seri Dr Mahathir Mohamad said yesterday.

The Prime Minister said this was in line with the country's global-oriented strategy and the growing importance of the manufacturing sector.

"This industry will be encouraged to shift to high value-added activities in all stages of its productions so that activities and production in this sector can be broadened."

Dr Mahathir was opening the plants of W.R. Grace Packaging (M) Sdn Bhd and W.R. Grace Specialty Chemicals (M) Sdn Bhd at the Gebeng industrial area near Kuantan.

The companies are subsidiaries of Florida-based W.R. Grace and Co.

Also present were Datuk Seri Dr Siti Hasmah Mohamad Ali, Menteri Besar Tan Sri Mohd Khalil Yaakob, Education Minister Datuk Seri Najib Tun Razak, Culture, Arts and Tourism Minister Datuk Sabaruddin Chik and W.R. Grace chairman, president and chief executive officer Albert J. Costello.

"Under the Second IMP, the polymer sector is also expected to shift to development of high-end and value-added products," he said.

Dr Mahathir said currently, the chemical and petrochemical industry was among the country's main export sectors and this industry was expected to have a significant impact on the country's economy in the future.

"In 1995, the output of this sector, excluding petroleum and natural gas products, was RM11.6 billion while exports of chemical and petrochemical products including plastic products was RM5.7 billion," he said.

He said this sector had recorded an average export growth of 33.9 per cent compared with the average 25.8 per cent in the export growth of overall manufacturing products during a five-year period between 1991 and 1995.

Dr Mahathir said in the chemical and petrochemical sector, the fabricated plastic products was one of the most dynamic sectors.

"In 1996, this industry recorded sales of RM5.5 billion where 30 per cent was in the packaging sector.

"Although the growth in the plastics industry is high, the per capita use is still low compared with other developed countries."

He said this showed that the packaging industry still had a lot of potential.

"It is expected that the industry will continue to grow in line with the growth in the country's economy and the people becoming more prosperous."

Dr Mahathir said Malaysia had always welcomed exports and high-technology joint ventures similar to W.R. Grace packaging and silica plants as it would put the country in the world map of producers and exporters of sophisticated and international-standard manufacturing products.

He also said that Malaysia had benefited a lot from direct foreign investments in the manufacturing sector and that the United States were among the main investors.

"Up to 1996, there were 528 projects from the US with a total investment of RM15 billion," he said.

In 1996 alone, investments from the US was RM2.9 billion, up RM1.1 billion or 60.6 per cent from 1995.

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