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PM WANTS LOCALS TO PRODUCE ELECTRICAL COMPONENTS

LUMUT, May 15 (Bernama) -- Datuk Seri Dr Mahathir Mohamad wants local entrepreneurs to expand their operations and produce electrical components for overseas markets.

The Prime Minister said local entrepreneurs should produce vital components such as gas turbines and generators, transformers, switchgears and high voltage cables.

"Probably the private sector has its own doubts about venturing into this field in view of the limited market in Malaysia. I urge them to look beyond Malaysia's market," he said when opening the RM3.7 billion Lumut Power Plant at Segari near here.

He said even though there were local companies producing components for the electrical industry, they formed only a small number and centered on less taxing fields.

The Lumut Plant, operated by Segari Energy Ventures Sdn Bhd, generates 1,303 megawatts of power yearly and is the biggest of its kind in Southeast Asia and the third biggest in the world.

In line with the government's fuel diversification programme using four main fuel sources in order not to depend too much on gas, Dr Mahathir future power plants in the country would have to include coal as a fuel source.

Although coal would be used as a fuel source, he said the government did not want the environment to be neglected.

He said the government has directed that power generation using coal to the "clean coal technology".

Dr Mahathir said Malaysia should take advantage of the globalisation process if it did not wish to be left behind.

"Hence I wish to urge local entrepreneurs to focus their energy and expertise on widening their horizons," he said.

He said Malaysia should not remain satisfied over its success in the area of power generation and operation services as well as maintenance work as the bigger agenda which had to be realised was the development of the electrical component industry.

The Prime Minister said this was in line with efforts to reduce the import of such components which accounted for 85 per cent of all imports.

"Imports of such items will continue to rise so long as we are unable to produce them ourselves," he said.

Dr Mahathir said the government had decided that future power generation plants use coal as fuel and employ "clean coal" technology.

He said the use of coal was in line with diversifying fuels for power generation and not depending too much on gas.

"However in the use of coal, the government does not want the environment factor to be ignored."

All Independent Power Producers (IPP) in the country were now using gas as fuel, which was more environment friendly, he said.

"Gas is expected to account for 70 per cent of power generation fuel until the year 2000," Dr Mahathir added.

On the IPPs, Dr Mahathir said five were in operation including Segari Energy Ventures and were generating power totalling 4,112 Megawatts.

The Prime Minister also stressed the importance of ensuring that power supply was available all of the time.

"Apart from TNB (Tenaga Nasional Berhad), I also wish to urge the IPPs

to share the responsibility of ensuring continuous supply and that their plants operated efficiently and are well maintained," he said.

He said high quality electricity supply was a basic necessity in the switch to high-tech industrial development.

The Prime Minister said the government which had given the licence to the private sector to supply high quality electricity to the Kulim Hi-Tech Park, expected similar demand in other locations in the country.

The Prime Minister then inspected the Lumut Power Plant control room and later planted a tree near the facility's recreation club.

The plant channelled an additional 11 per cent electricity to the national grid when the final phase was completed six months ahead of schedule.

The RM4 billion plant has two blocks each capable of producing 651.5 megawatts of power. The first block began operation on May 28 last year and the second block on Jan 10.

The Segari Energy Ventures (SEV) is jointly owned by Malakoff Bhd (75 per cent), TNB (20 per cent) and the EPF the remaining five per cent. --
BERNAMA

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