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MAHATHIR-MEGASTEEL

MALAYSIA WILL CONTINUE TO PLACE EMPHASIS ON HIGH-VALUE, HIGH-TECH PROJECTS

BANTING, Oct 23 (Bernama) -- Malaysia will continue to emphasise the importance of high-value added and high-technology projects in her current and future industrial development, Prime Minister Datuk Seri Dr Mahathir Mohamad said today.

"We realise that technology today is imperative, and an important factor for a country to maintain its competitive edge," he said at the official opening of Megasteel Sdn Bhd's hot strip mill here.

Dr Mahathir urged Malaysian companies to continue to upgrade their existing operations through the introduction of new technologies, innovation and modernisation.

The RM2.5 billion steel mill is capable of producing 2.5 million tonnes of hot rolled coils annually which would substitute imports worth over RM3 billion per annum.

The mill is the largest in Malaysia and the fifth largest steel mill in the world.

The highly automated mill, when operating at full capacity, would have one of the lowest production cost per tonne in the world.

Commending Megasteel's investment in the plant, Dr Mahathir said it exemplifies the dynamic character of Malaysian entrepreneurs.

"They are prepared to embark on capital intensive ventures with long gestation period.

"Now that the economic recovery is in place, Malaysian companies should be in a better position to invest in new projects or expand their existing projects to cater for both the Malaysian and the regional markets," he added.

Dr Mahathir said the establishment of Megasteel's mill would enable Malaysia to save on foreign exchange and contribute towards further downstream processing in iron and steel industry in Malaysia.

In addition, economic linkages from this project would provide new growth areas in the economy and in the long-term would help ensure basic materials required by end-users at competitive prices.

Producers of steel-based raw materials must also make sure that their products are competitively priced so that Malaysian products remain competitive.

Dr Mahathir said a substantial amount of the manufacturing sector's investment continue to come from the iron and steel industry.

Last year, 21 projects worth RM1.26 billion were approved, out of which 82.4 percent were by domestic investors.

From January to July this year, 11 projects valued at RM300 million were approved, of which 19.5 percent were by locals.

Dr Mahathir said steel is expected to remain the basic raw material in construction, transportation, power generation and mechanical engineering.

He said steel offered a good potential for a new combination of alloy, shaping, heat and surface treatment as well as a new compound for new components.

Despite the advancement in electronic and the use of new materials, steel would remain an important material in the 21st century. -- BERNAMA

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