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PERAK-ALUMINIUM

MALAYSIA'S FIRST ALUMINIUM FACTORY TO BE BUILT IN LUMUT NEXT YEAR

IPOH, Dec 27 (Bernama) -- The first aluminium smelting factory in Malaysia is expected to be built in Perak with Masco Aluminium Smelted having decided to build its factory in Lumut next year.

The chairman of the State Industrial Development Committee for Industrial Development, Entrepreneur and Information, Datuk Ramly Zahari said Masco had already made plans to built the factory in Lumut in 1999 but could not proceed with it due to several problems.

Prior to this, the company, which is a consortium of companies from China, United States and Hong Kong, had failed to reach any pact with Tenaga Nasional Berhad (TNB) on the tariff rates for the electricity to be supplied by TNB.

"TNB has fixed a rate of 16 sen for each unit of electric power supplied to the industrial sector.

"However, Masco seeked a rate of eight or nine sen per unit. Because of this, the building of the factory was delayed," he told reporters after attending a Hari Raya gathering held here today by the Perak State Development Corporation.

To find a resolution to the problem, a meeting was held last night between the state government, Masco, the Ministry of International Trade and Industry and Prime Minister Datuk Seri Dr Mahathir Mohamad.

"The Prime Minister has decided to allow Masco to build its own power generation station to enable them to produce the needed electricity power for their factory," Ramly said.

"It now depends on how they want to generate electric power with coal as the raw material. However, the Prime Minister has mandated that they follow the environment regulations besides taking into consideration the fact that the area is a tourist spot and also base for the Royal Malaysian Navy.

He said Dr Mahathir had also put a condition that any excess electric power would not be sold and that it would have to be discussed with the government which would decide on what to do.

Ramly added that the state government and Masco had reached a consensus on the building of the factory at the Lumut Maritime Terminal area in a land covering an area of 136 hectares.

"We have chosen the LMT area as we want to make Lumut's port a unique one. Currently the Lumut port is merely a link between Port Klang and Pulau Pinang," he said.

Ramly said the choice of LMT was also ideal as it would enable faster construction work in view of its existing good base and infrastructure.

"Once the factory comes into operation, Masco will bring in an investment of RM8 billion and this would be the biggest investment to be seen by Perak. The factory is expected to have a production capacity of one million ton metric of aluminium per year," he said. -- BERNAMA

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