

KUALA LUMPUR, MALAYSIA

Advanced Technology

Electronics

Malaysia is moving higher up the "Silicon Valley" status as the electronics industry undergoes a major structural change from mere assembly to a manufacturer of sophisticated products. The electronics industry is the key to the industrialisation of the country because it is the biggest exporter of manufactured goods and a major employer with a workforce of 144,000 people. Last year the industry exported Cdn \$9.7 billion worth of goods such as semi-conductor devices, audio/video equipment, computers and telecommunications products. The components sub-sector accounts for 57.6 percent of the total output, consumer electronics 23.2 percent and industrial electronics 19.2 percent. At the end of 1990 there were about 420 companies involved in the electronics industry, of which 267 were producing components, 81 consumer goods and 85 industrial products.

The electronics sector is dominated by foreign investors, many of which are multinational corporations, which have been attracted to Malaysia by tax benefits, good infrastructure and a skilled labour force. Recently however, the industry is facing an acute shortage of manpower, which is being attributed to the large inflow of foreign investment to the local electronics industry and the expansion programmes undertaken by existing electronics companies.

Foreign investors should consider seriously the longer term advantages of technology upgrading and quality enhancement that will ultimately determine their competitive edges. In addition to the attractiveness of Malaysia as an investment centre for electronics firms, excellent opportunities exist for the sale of components and electronics products in this market, provided the products are price competitive.

Telecommunications

Telekom Malaysia Berhad, formerly called Syarikat Telekom Malaysia Berhad, or STM, is the main operator of telecommunication services in the country. It operates an extensive local and international telecommunication network, offering a full range of domestic and international voice, message and data communication facilities. With 28,000 employees nationwide, Telekom Malaysia brings telephone facilities to 1.4 million subscribers in urban centres and rural areas via its local network. About 3.2 million cable pairs are available in the local network and are connected to 550 telephone exchanges with a combined capacity of 2.3 million exchange lines. Of these exchanges, 55% are computerized enabling 72% of customer subscribers to enjoy benefits like push button dialling, itemized billing and enhanced telephone facilities.