

Although a literal reading of the trade statistics implies a total apparent market of C\$64.5 million for computer hardware in 1987, industry sources suggest the market was actually C\$75 million in that year. Reasons which may account for the discrepancy include the following:

- o Trade statistics are based only on customs classification of items that have been identified as specifically belonging to the computer industry.
- o Trade statistics are based on the landed CIF value of items declared for custom purposes and do not take into account any subsequent value-added development or mark-up component.

For these reasons, C\$75 million can be assumed to be more indicative of the market size.

6.0 INDUSTRY STRUCTURE AND PARTICIPANTS

The fast growing market has seen proliferation of computer vendors with numerous brands within the last 5 years. The industry structure is characterised by the presence of major international computer companies that provide a comprehensive range of hardware items and smaller vendors, mostly value-added-resellers that may have secured one or two exclusive distributorships for certain hardware items. New entrants to the market are deterred not so much by government regulations as by the keen rivalry and the numerous brands already in the market.

As an indication, the Malaysian Administrative, Modernisation and Manpower Planning Unit (MAMPU) which acts as consultant to all departments in the public sector with respect to computerisation projects has 12 mainframe vendors and 90 vendors for other computer products registered for public sector tenders.

The analysis of the industry structure and key participants in this section is carried out under four major product categories, namely mainframes, minicomputers, personal computers and peripherals.