

RTM's plan to implement the M\$150 million TVRO network project has raised the hopes of the French-based Alcatel Telspace to break into the Malaysian market (Business Times 27/9/89). Alcatel Telspace, a subsidiary of the Alcatel Group, is a supplier of satellite communication equipment such as earth stations and transponders. It is a major supplier to the French Government television network Telediffusion de France's subsidiary, Sofratev. In view of its strong relations with Sofratev, Alcatel Telspace feels that it deserves a fair share of the Malaysian market. The French company earlier tried to break into the local market by bidding for the supply of the Kuantan satellite earth station. However it lost the contract to Mitsubishi Electric Corporation.

Alcatel Telspace's Asia-Pacific and Eastern Europe Vice President Thierry de Venssay contends that Alcatel Telspace ranks second after NEC in world satellite communication technology. To date, the company has installed TVRO earth stations in 24 countries. Malaysia is its first potential TVRO customer in the South-East Asia region. (Business Times, 27/9/89). Apart from supplying the equipment, the company plans to send its engineers to help in the implementation of the TVRO project once it gets the supply contract.

It is understood that Alcatel Telspace has no plans to set up a company in Malaysia even if it succeeds in securing a contract. It will have to depend on the existing Alcatel group representative in Kuala Lumpur, according to Mr. de Venssay. This is because the Alcatel Telspace office in France is small (with a workforce of 350 people) compared with the rest of Alcatel's subsidiaries. Thus, it is not viable for the company to be on its own in Malaysia.

All the TV and broadcasting equipment discussed so far refers to the hardware. With regard to software, Mr. Lee of the Department of Broadcasting estimated computerization expenditure for the 1990 to 1995 period at about M\$5.0 million. He cautioned however that it is difficult to assess computerization expenditure accurately since orders for a particular programme will be made as and when the need for such a system arises.

As for consultancy services, these usually comes together with the hardware as a package. This appears to be the case for turnkey projects. The market size for consultancy services in the broadcasting sector is estimated at about M\$1.0 million per annum.

Canadian companies are not well represented in the broadcasting sector. Mr. Lee pointed out that Canadian involvement/participation in advanced technology products for broadcasting is very small, i.e less than 1% of the total market share. He added that one of the reasons why Canadian companies have failed to make any significant inroads into the broadcasting market is because Canadian products are not priced competitively.