(iii) Data Communication Devices

The total market for data communication equipment was estimated at around C$3 million in 1987. Modems were the biggest selling items, accounting for about C$2 million of these sales. The remaining C$1 million was made up of other devices including multiplexors, link boards, cables, sockets and test equipment.

The two leading suppliers of modems are Racal Electronics Sdn. Bhd. which distributes the Racal product range and Infocom (M) Sdn. Bhd. which supplies Codex. According to industry sources, these companies together control approximately 80 percent of the modem market.

The other major local suppliers of data communication devices are Technology Datacraft Sdn. Bhd. (Datacraft), Teamdata Sdn. Bhd. (Team) and Mecomb Malaysia Sdn. Bhd. (Case). Gandalf of Canada was formerly represented by Mecomb, and currently is affiliated with Rank O'Connors as is Newbridge Networks, also from Canada.

A noticeable feature of these suppliers is that they are communication-based companies rather than computer-based companies. Therefore, the complementary products they carry are PABX equipment, telephone sets and two-way radio systems, rather than computers, printers and disk drives.

7.0 GROWTH POTENTIAL AND MARKET PROSPECTS

Computer technology in Malaysia only began to make a significant impact in the eighties. Growth was especially healthy in the early eighties with the national boom in industrial production and investment. As it approached the mid-eighties, the growth rate fell with the on-set of the recession and in 1986, the computer market actually experienced a small contraction (see Table 2). However, in 1987, buoyed by better economic conditions associated with rises in commodity prices and specifically with the surge in computerisation in retail banking, the industry expanded again. Thus for all years since 1980, except for 1986, the market expanded at a rate in excess of 10 percent annually.