

It should be noted however that these import statistics understate the actual market size for software in Malaysia for a number of reasons. As mentioned earlier in the context of hardware, import statistics do not take into account dealer margins and whatever value added is performed locally. Furthermore, the value of pirated software is sizeable but not always quantifiable.

As will be noted from Table 8, the U.S.A. is the major supplier of software to Malaysia, accounting for 50.9 percent of total imports in 1987 while Japan and Australia accounted for 20 percent and 18 percent, respectively. As with statistics for hardware imports official figures show software imports from Canada to be negligible. In fact however, some Canadian firms, notably, Cognos have been active in this market for some time, selling through third countries.

TABLE 8
PRINCIPAL COUNTRY SUPPLIERS OF
COMPUTER SOFTWARE, 1987

SITC	Description	Country of Origin					Total
		U.S.A	Japan	Australia	S'pore	Others	
898.319.10	Prepared media for recording, records for use in computers	35%	33%	4%	2%	26%	100%
898.321.11	Recorded media, records for use in computers	35%	11%	-	8%	46%	100%

Source: Malaysian Trade Statistics, 1987

3.0 INDUSTRY STRUCTURE AND KEY PARTICIPANTS

As there is a vast array of software available in the Malaysian market, this study focuses only on the major types of software and those perceived to hold particular potential. These are separated into two categories: systems and applications software packages.

3.1 Systems Software

The market for systems software in 1987 was estimated by industry sources at C\$5 million. Systems software covers programs like operating systems, utilities, compilers and interpreters and networking systems. These programs are crucial to the smooth running of the machines and essential for creating effective applications software.