III. COMPUTER SOFTWARE

1.0   INTRODUCTION

Specific official estimates are not available for the market size for computer software in Malaysia. Estimates by industry sources vary from C$15 million to C$25 million per year. Difficulties in quantifying the volume of trade can be attributed to a combination of factors, including the absense of a major software house in Malaysia on the scale of Microsoft or Lotus, the pricing of hardware and software together by hardware vendors and the existance of a flourishing trade in pirated software.

According to official statistics, imports of software totalled C$5.8 million in 1987. Exports were very low, amounting to only C$0.2 million, reflecting the lack of a local software development industry.

2.0   DOMESTIC PRODUCTION

The Malaysian suppliers of software are not known to conduct extensive research on advanced software designs in view of the lack of qualified personnel and the cost involved. The majority of them ride "piggy-back" on existing technology, mainly U.S-based, making modifications and adaptations to the Malaysian market. In circumstances where foreign software is not suitable, some local suppliers have the capability to develop software to meet user requirements. However, for the market as a whole, local value added is minimal.

2.1   Imports

Table 7 summarises the Imports into Malaysia of computer software over the period 1984 to 1987.

TABLE 7
IMPORTS OF COMPUTER SOFTWARE
1984 TO 1987

SITC	Description	1984 C$'000	1985 C$'000	1986 C$'000	1987 C$'000
898.319.10	Prepared media for recording, records for use in computers	1,863	2,197	2,096	2,564
898.321.11	Recorded media, records for use in computers	3,864	4,726	4,928	3,276
	Total	5,727	6,923	7,024	5,840

Source: Malaysian Trade Statistics, 1984 to 1987