Potential areas for Canadian involvement are in computerization and automation, long distance fibre optics, consultancy and training services, network management and integrated services digital network (ISDN). The key to increasing Canadian participation in the Malaysian high technology sector is not just a matter of price, technical compliance, technology transfer or after sales service but also one of "staying power" or the ability to maintain a continued presence in Malaysia.

Informatics (Computing and Software)

The computer industry in Malaysia started with the commissioning of the first computer in 1965. Up to the 1970s, the environment was predominantly mainframe, with installations predominantly in the public sector rather than in the private sector, with multinational corporations being the exception. When the import duty on computers was lifted in 1982, the growth of the industry accelerated substantially, aided by the parallel rapid development of hardware elsewhere in the world which had lowered prices to the extent that many enterprises could computerise their operational systems such as payroll, accounts, personnel records and inventory control. The second half of the 1980s emphasized integration to meet corporate planning requirements, the present market being distributed foremost in the government sector followed by banking and finance, manufacturing and distribution, trading, retail and services.

The Malaysian computer industry has witnessed substantial growth with the Government sector as the single largest user. A five-year programme for a national development information systems has been announced which will involve the computerization of 125 district agencies of which 70% are in Peninsular Malaysia. This will mitigate somewhat the present situation where only a minority (estimated 20%) of the 884,000-strong civil service in a national population of 17 m has direct access to computer facilities including some 230 mainframes. Privatization will further strengthen the demand for computerization in Malaysia.

Taiwan and Singapore in particular have taken assertive steps to invest in assembly plants in Malaysia. The related Malaysian electronic component industry has enjoyed a 15% growth rate for the past 10 years. In 1991, a sizable number of foreign manufacturers have relocated or expanded their production lines for computer accessories to the country, and the local computer manufacturing industry is well situated to take advantage of a plethora of downstream support industries from which it can tap up to 20% component production supply.

There is good potential for development of the computer software market provided public perception of cost efficiency is recognised. The first publication rule under the Malaysian Copyright Act provides intellectual property right protection to all works released in Malaysia within 30 days of publication in the country of origin. The areas of activity to date cover manufacturing and distribution, financial, insurance and brokerage services and healthcare, with the educational sector being yet untapped. In addition to the contributions

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