

Both Compex and Microcomputer Systems started production of PCs on a smaller scale in 1987. Compex with a capital of C\$500,000, is a partnership between Autocomp, Sanyo Computer's distributor in Malaysia and Powermatic, Seagate's distributor in Singapore. It started in Kuala Lumpur, with a production line with a capacity of about 200 units per month. Microcomputer Systems with a paid-up capital of C\$125,000 has started operating a full production line, from the design of boards to full assembly. Production is currently geared at 400 sets a month.

Astec has concentrated thus far on the manufacture of switching power supply for computers. In fact it is already the largest manufacturer of these products in South-East Asia, and exports to U.S.A. and Europe.

Apart from Astec, these firms are basically assemblers rather than manufacturers. They are dependent to a large extent on component sourcing from the Far East, mainly Taiwan and Japan. This dependence, together with the limited domestic market that discourages more efficient higher volume production, are seen as major obstacles to the development of a strong local computer manufacturing base. Calls for the government to impose higher tariffs on the imports of PCs to raise the pricing differential between local PCs and imported PCs have so far been ignored. The existing differential is estimated at about 2.5 percent based on a sales tax of 10 percent and import duty of 5 percent.

3.0 IMPORTS

Statistical data on the imports of major hardware items are grouped under the following codes and descriptions.

<u>SITC</u>	<u>CCCN</u>	<u>Description</u>
752.200.00	84.53.200	Complete digital data processing machines, comprising in the same housing, the CPU and at least one input unit and one output unit
752.300.00	84.53.300	Complete digital central processing units, digital processors consisting of arithmetical, logical and control units
752.400.00	84.53.400	Separately consigned digital central (main) storage units
752.500.00	84.53.500	Peripheral units, including control and adapting units (connectable directly or indirectly to the central unit)