

-Way paved for high- technology drive: PM

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MALAYSIA has resolved its unemployment problem, paving the way for a policy of preferring high-technology, high value-added industries among foreign investors. Datuk Seri Dr Mahathir Mohamad said Malaysia no longer needs low-technology industries which are labour-intensive and with low value-added.

The Prime Minister said in line with technological evolution, the country is now inclined to host more sophisticated, capital-intensive enterprises with high value-added. "After two decades of industrialisation, we have not only managed to address the unemployment problem but also enhanced the sophistication of the industries," he said at the official opening of Hitachi's electronic and air-conditioning plants in Bangi, Selangor, yesterday.

The World Bank pegs Malaysia's unemployment at 3.5 per cent; implying full employment, but Malaysia officially puts the figure at 5 per cent.

Datuk Seri Dr Mahathir said Malaysia's emphasis on the industrial sector from the early 1970s has been vindicated. When the country's industrialisation programme began in earnest, the agricultural sector was not able to generate enough job opportunities. Higher educated school leavers were also disinclined to work as labourers.

"After two decades of the strategy's implementation, we have managed to cut unemployment and attract more sophisticated industries," he said, adding that Malaysia has a bright future in the electrical and "electronics sector. This is evident in the experience of manufacturing giants such as Hitachi, Matsushita, Motorola and Intel which shows Malaysian workers are comparable to their counterparts in Japan and the US in work quality and productivity.

The Prime Minister also called on promoters of industries with higher-technology to locate their plants in comparatively lesser developed states but which have the capacity to host such industries. Among others, he cited Kedah and Malacca as states which are suitable for high-technology plants along with the more developed states like Selangor, Penang and Johor.

He commended the Hitachi group for reflecting the long-term development of states in which its 13 plants are located — Penang, Selangor, Malacca and Johor. This is clear from the companies' product mix relative to the investment value, staff strength and location of

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the plants.

Hitachi Japan chairman Katsushige Mita, in his address, said the company is now one of the world's largest manufacturers of electric and electronic products with revenues of US\$55 billion in fiscal 1990. In Malaysia, it has four sales and service companies in addition to the 13 manufacturing firms. It employs 8,800 Malaysian workers.

The group's Malaysian operations exported some \$1.2 billion in 1990, accounting for 1.6 per cent of the country's GNP. With the entry of Hitachi Electric Products (HEP) and Hitachi Air-Conditioning Products (HAP), the export value is projected to rise to \$1.84 billion.

HEP managing director Sadanori Watanabe in his speech

said the plant now produces 50,000 VTR sets, 20,000 VTR chassis, 15,000 CTV chassis and 5,000 PTV chassis a month. He expects output to increase when production reaches the optimum level by mid-1992.

HEP exports to the US, Japan, Canada, Europe, Latin America and West Asia.

HAP, which started production in 1993, is scheduled to start full production in 1993 when it will produce 400,000 units of room air-conditioners, 600,000 units of rotary compressors and 100,000 units of scroll compressors a year.

Managing director Hiroyuki Fukuyama said 95 per cent of its products are exported while the remainder is for the local market. It hopes to increase components and materials sourced locally to 85 per cent from 66 per cent at present.