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Mahathir-automation

UPGRADE TECHNOLOGICAL SKILLS, MANUFACTURERS TOLD

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MUAR, June 9 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad today stressed on the need for manufacturers to constantly upgrade their technological capabilities to overcome the shortage of local workforce.

He said that given the present supply constraints in the labour market as compared to the low labour cost which used to be the country's competitive advantage in the past, manufacturers should proceed to greater utilisation of automation.

"In addition, quality standards to meet stringent demands of the international markets must be adhered to," he said at the official launching of SGS-Thomson Sdn Bhd extension plant and the company's 20th anniversary celebration here.

He applauded the company for being consistently supportive of the government's goals and for having shifted from a labour-intensive operation to cost-saving automation and streamlining the processes involved.

Through its research and development team here, the company had created equipment to reduce cycle time of production which had been adopted by SGS-Thomson plants all over the world. -- more

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Apart from that, the SGS-Thomson Corporation worldwide had emulated the local plant by adopting the Total Quality Management concept and practice, which won the company the Prime Minister's Quality Award last year, he said.

"Within the SGS-Thomson group worldwide, the Muar plant also has the largest back-end manufacturing facility, churning out the largest product volume with the highest monetary value," he said.

Touching on the large foreign investment in the electronics industry, Dr Mahathir said that while the government continues to welcome it, it also encourages domestic investment as "Malaysia now has sufficient expertise to go into this sector".

Last year, electronics exports constituted 51.9 per cent of total manufactured exports valued at RM90 billion with semiconductor devices accounting for RM17.8 billion or 38.1 per cent, he said.

He said Malaysia contributed 24 per cent of the total global sales of semiconductors for the same period. -- more

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"While we are proud of the fact that Malaysia has emerged as the world's largest producer and exporter of semiconductor devices, we should also aim for similar success in other products," he said.

As one of the development thrusts of the electronics industry is to diversify into the production of a wider range of electronic products to create both forward and backward linkages, he said he hoped that investors would develop the growth of the non-semiconductor components, consumer and industrial electronics sub-sector.

Dr Mahathir said that while the government encouraged small and medium-sized corporations to venture into the electronics industry, the larger companies should produce higher value-added electronic products through greater investment in R&D activities and improvement in design capabilities.

On the manufacturing sector's contribution to the country, he said it is expected to contribute 31.4 per cent to the GDP this year while its contribution to exports would reach 75 per cent as compared to 30.1 per cent and 71 per cent respectively last year.

He said that for the first four months of this year, the government had approved 240 projects with investments amounting to RM5.84 billion, of which RM2 billion was by foreign investors. -- more

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Rptng, adding dropped numeral "4" in second para to read "RM425.9 million"

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In the corresponding period last year, 231 projects were approved with foreign investment of RM1.11 billion and domestic investment of RM1.82 billion.

Dr Mahathir said however that in the electronics industry, foreign investments still predominate with investments amounting to RM425.9 million in 46 projects approved while local investments reached only RM15 million.

The SGS-Thomson company which began producing epoxy transistors with only 250 employees in 1974, today has a staff population of 3,000 and produces a wide range of semiconductors including discrete and standard integrated circuits.

The Thomson Group, which has a cumulative investment of RM625 million, has three other factories in Malaysia -- Thomson Electronics Parts (Malaysia) Sdn Bhd, Thomson Audio (Muar) Sdn Bhd and Thomson Audio (Kulim) Sdn Bhd.

"Reinvestment by the Thomson Group of Companies in Malaysia attests to its high regard for Malaysia as a competitive and an important base for manufactured products," Dr Mahathir said. -- more

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end of rptn

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Dr Mahathir congratulated the company for its many achievements which included winning the "Prime Minister's Quality Award", "Best Landscaping Award" for its commitment to a cleaner environment and "Benevolent Employer Award".

President and Chief Executive Officer of the Thomson Group, S.Pasquale Pistorio, said the new extension would enable the plant to produce more than two billion semi-conductor devices this year, an increase by 50 per cent from the present capacity.

He said SGS Thomson had invested RM150 million for the new extension and equipment, bringing the total investment in Muar to RM620 million. --

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