

Be active recipients of technology, firms told

By Farush Khan

KUALA LUMPUR, Tues. — Local companies which have foreign partners must understand the principles of foreign technology so that they can utilise it to produce other goods, Datuk Seri Dr Mahathir Mohamad said today.

The Prime Minister said that local firms should not just accept the foreign technology "in a passive manner".

Proper utilisation of foreign technology will enable local firms to improve their productivity and efficiency.

"To speed up the industrialisation process, local companies must accept foreign technology which is suitable for their requirements," he said.

Dr Mahathir was speaking at the opening of the Sapura-Nokia Telecommunications (SNT) and Sapura Electronics Industries (SEI) factory in Wangsa Maju, Setapak here.

SNT is a joint venture between Sapura Holdings Sdn Bhd, a fully-owned Bumiputera firm Mega Team (M) Sdn Bhd and Nokia Telecommunications OY of Finland.

Sapura Holdings and Mega Team hold 30 per cent each in the venture while Nokia holds the rest.

SNT, which has a paid-up capital of RM5 million, is one of five companies awarded the contract to supply digital switching equipment for domestic use and export at its RM40 million high-tech plant in Wangsa Maju.

SEI, a subsidiary of Sapura Telecommunications Berhad since April 1993, has entered a sub-contract agreement to assemble and supply SNT with 80,000 units of subscriber line interface modules worth about RM100 million for use in digital switching equipment for Telekom Malaysia Bhd.

Dr Mahathir said joint ventures such as these were what the government would like to see and hoped through such ventures the transfer of technology to the local partner could be expedited.

"It is the government's policy to encourage more local companies to enter into joint ventures with multinational companies to meet the increasing demand for telecommunications services locally."

Joint ventures like these

He also reiterated the need for local companies to train their workers and improve their skills.

"As such, the initiative of Sapura-Nokia Telecommunications Sdn Bhd to set up a training centre is appropriate."

The Prime Minister also spoke of the telecommunications industry being one of the important contributors to the national economy.

The industry, he said, had

registered a double-digit growth in the last five years.

In the case of telephone subscribers, he said their number had increased from 169,600 in 1975 to 1.58 million in 1990. There are about 2.3 million subscribers at present.

"Based on the current encouraging economic growth rate, Malaysia is anticipated to require 6.5 million telephone lines by the year 2000."

He said while the export of telecommunications equipment had increased from RM1.23 billion in 1990 to RM1.97 billion in 1992, the import of such equipment had also gone up.

In 1992, RM1.33 billion worth of telecommunications equipment was imported, marking an increase of 46 per cent over the value of their imports in 1990.

The future for the telecommunications industry was therefore bright.

Speaking to reporters later, he said to master the technology and utilise it well, local companies should be active recipients of foreign technology.

The country does not want passive foreign investors who refuse to share their technology with local companies.

Also present at the ceremony were the Deputy Minister of Energy, Telecommunications and Posts, Datuk Tajol Rosli Ghazali;

and executive chairman of Sapura Holdings Sdn Bhd Tan Sri Shamsuddin Abdul Kadir.

Speaking at the function earlier, Shamsuddin said Sapura Holdings had started vendor development programme since 1984 to establish joint ventures with other local firms.

"Our objective is to see an increase in the number of local entrepreneurs, especially among Bumiputeras."