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IMP: CRUCIAL TO DEVELOP MACHINERY AND EQUIPMENT INDUSTRY GROUP

KUALA LUMPUR, Nov 28 (Bernama) -- The development of the machinery and equipment industry group is crucial to overall industrial development because of its cross-cutting effect on all clusters, the Ministry of International Trade and Industry (MITI) said.

As such, this industry group will be developed as a policy-driven cluster with the provision of special incentives backed with infrastructural support instituted specifically to ensure the evolution of a competitive cluster to support the growth of manufacturing.

MITI said this in the Second Industrial Master Plan (IMP2) unveiled by Prime Minister Datuk Seri Dr Mahathir Mohamad today.

It said it was vital for both the government and the private sector to assume a more proactive role to rectify the existing weaknesses in the various sub-sectors of the industry group.

At present, the machinery and equipment industry group is highly fragmented with deficiencies in major supporting industries such as the foundry, forging, heavy and precision machining, tooling design and fabrication.

This is particularly so in the tooling industry where 80 percent of the mould and die making activities are family-owned small and medium sized industries and utilising low-end technology and production facilities.

In addition, the shortage of manpower, particularly skilled workers in machine and tooling technology, machinery and tooling design, which limited the use of Computer Numerical Controlled (CNC) machine tools, are inhibiting factors in developing this industry group.

A large proportion of the industry requirements for machinery and equipment is met by imports and because of its impact on trade balance, there is an urgent need to focus on the development of the machinery and equipment industry group, not only to provide the cross-cutting support and linkages, but also to overcome the high imports of capital goods by the manufacturing sector.

Imports of machinery and equipment increased two-folds to RM30.9 billion in 1995 from RM15.8 billion in 1991.

The development objective for this industry group under the IMP2 includes to develop national capabilities in design and manufacture of critical machinery and equipment for both the domestic and global market, thus addressing not only the issue of enhancing industry linkages, but that of high imports of capital goods.

The critical supporting industries that need to be developed are the foundry, forging, precision and heavy machining and heat treatment which form the basis of this industry group.

The development objective is also to increase the pool of skilled manpower both for manufacturing and application of advanced machinery and equipment while continuing to promote automation and modernisation through the upgrading of production facilities of all manufacturing plants with the latest machine and equipment.

There is also a need to enhance the involvement of domestic engineering companies in turnkey projects to accelerate technology transfer as well as provide market opportunities by de-packing the technology bundle of turnkey projects. -- BERNAMA

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