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IMP: EIGHT GROUPS IDENTIFIED AS COMPETITIVE INDUSTRIAL CLUSTERS

KUALA LUMPUR, Nov 28 (Bernama) -- The Second Industrial Master Plan (IMP2), which is based on a cluster approach to industrial development, has identified eight industry groups that have the potential to be developed into competitive industrial clusters.

The groups are the electrical and electronics; transportation; chemicals; textiles and apparel; resource-based; materials and advanced materials; agro-based and food products; and machinery and equipment industries.

Some of the groups, like the electrical and electronics, and textiles and apparel industries have the potential to become clusters by themselves while others have the potential to be developed into a cluster.

A cluster is an agglomeration of inter-linked or related activities comprising industries, suppliers, critical supporting services, requisite infrastructure and institutions, the Ministry of International Trade and Industry said in the IMP2 report, unveiled by Prime Minister Datuk Seri Dr Mahathir Mohamad here today.

Four key elements underly cluster-based industrial development -- the clusters; value-added and value-chain; key suppliers; and requisite economic foundation.

The eight groups identified as potential clusters accounted for 76.0 percent of the value-added in the manufacturing sector in 1995 and their contribution was expected to reach 98.9 percent by the year 2005.

The potential industrial clusters were divided into three broad categories

-- internationally-linked clusters which were primarily multinational company-driven; resource-based clusters where the degree of indigenous involvement and ownership was high; and policy-driven clusters, a category identified by the government as strategic industries and were critical for development.

The report said the cluster-based approach would not only emphasise the growth of the manufacturing sector per se but, more importantly, the concomitant growth of the supporting industries which incorporate the service sector.

For example, the approach would emphasise industrial development that would deepen, broaden and enhance industrial linkages based on a comprehensive and integrated network of activities.

It would also provide opportunities for domestic corporations, including Small and Medium Industries (SMIs), to achieve economies of scale necessary to be competitive in both the regional and global markets. --

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