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IMP: OEM TO BE NURTURED TO BECOME OBM

KUALA LUMPUR, Nov 28 (Bernama) -- Malaysian original equipment manufacturers (OEM) in the electric and electronics industry, the only sector that has developed the semblance of an industrial cluster, will be nurtured to become original brand manufacturers (OBM) and exports under the Second Industrial Masterplan (IMP2).

This will create greater wealth from higher value-added activities, the Ministry of International Trade and Industry said in the IMP2 unveiled by Prime Minister Datuk Seri Dr Mahathir Mohamad here today.

Apart from introducing more liberal policies to facilitate the entry of expatriates with technical or specialised knowledge or skills, the government will provide incentives to develop skills in high value-added activities such as design, branding and marketing, it added.

Malaysian companies will be given special focus to develop them into regional and global companies with the Malaysia External Trade Development Corporation (Matrade) organising special promotional programmes for Malaysian brand name products overseas.

The electrical and electronics industry is the leading industrial sector in the country in terms of investment, industrial output, value-added, exports and employment.

Successful in developing world class capabilities and capacities in a wide range of products, it remains essentially a manufacturer of foreign brands.

The ministry said other future thrusts of the cluster-based industrial development approach for the electrical and electronics industry included developing the value chain, deepening the supply chain, moving into higher technology and new growth areas, establishing wafer fabrication facilities and developing information technology (IT) and the multimedia industry.

In developing the value chain, large multinational companies (MNCs) will be encouraged to establish integrated manufacturing centres (IMCs) and use Malaysia as the centre for their industrial marketing and procurement.

Malaysia will also be made the production hub of the Asia-Pacific and beyond by reviewing financial encumbrances that hinder establishment of operational headquarters, world headquarters and international procurement offices.

Laws and regulations governing free trade zones and licensed manufacturing warehouses that hinder formation of a national cluster and prevent companies from taking advantage of benefits to be derived by participation in higher value chain activities will also be reviewed, it added.

Deepening the supply chain will entail strengthening it vertically and horizontally and cluster linkages will be enhanced.

In moving the industry into a high technology plane, the ministry said strategic acquisition of core and emerging technological companies, particularly technology to design and fabricate wafer, would be made together with an accelerated programme of developing indigenous capabilities through manpower training, applied research and private-public sector funded research and development in priority areas.

The "missing link" in the value chain of the industry will be filled by addressing the high import content through development of wafer fabrication facilities.

Focus will be given to "at least one project of each of the main types

of integrated circuits," namely memory, microprocessors and ASICs to ensure a wide coverage of market and technology.

On the multimedia industry, which is expected to be the next engine of growth in the electrical and electronics industry, MITI said among the applications identified for immediate development in the Multimedia Super Corridor are electronic government, remote manufacturing, multipurpose smartcard and a multimedia funds haven. -- BERNAMA

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