

16 JAN 1996

OPCOM CABLES EYES ASEAN AND ASIA PACIFIC MARKET

SHAH ALAM, Jan 16 (Bernama) -- Asean's largest fibre optic cable manufacturer, OPCOM Cables Sdn Bhd aims to be a major player in Asean as well as in the Asia Pacific region, says its chairman, Mukhriz Mahathir today.

The company has already captured 50 percent of the local market which was estimated at about 24,000 cable km per annum, he told a press briefing to announce OPCOM Cables's commencement of operations here.

OPCOM Cables is a joint-venture with Ericson Cables AB of Sweden, with the latter holding a 30 percent stake while the rest is controlled by OPCOM Holdings Sdn Bhd, a company wholly-owned by Mukhriz.

The link-up with Ericson Cables gives the company the advantage to supply its products in Thailand, Indonesia, the Philippines and Indochina as well as other parts of the Asia Pacific region where Ericson Cables is aggressively bidding for contracts, he said.

"The tie-up also enable us to export in other markets in the world except in Sweden and India, where Ericson has already set up plants," said Mukhriz .

The company however, has yet to penetrate the overseas market as its current production, which stands at 12,000 cable km per year, was entirely consumed by local demand. The cables produced are ribbon slotted-core cables and loose fibre slotted-core cables.

On domestic competition, he said there were at least 12 companies, with foreign majority stake, which has received the nod to produce fibre optics cable.

OPCOM Cables' clients could visit and test the cables before they take delivery, Mukhriz said, adding that the company also conducts the installation, testing and commissioning of the cables as required by potential customers.

In addition, the company could also produced cables according to the customers specific requirements like a bullet-proof or rodent-proof coating.

One of its main clients is Telekom Malaysia Bhd from which the company has won a RM80 million Turnkey Contract to supply fibre optic cables and cable accessories together with the provision of engineering services since 1994.

Apart from this three-year contract, OPCOM Cables is also bidding for more contracts to supply fibre optic cables to Telekom . Mukhriz however, could not disclose the value of the entire contract as it was still being considered.

"We do not expect to get everything, but at least a sizeable chunk of the contract," he added.

On production, he said the company's highly automated production line could always double its output which was already at full capacity, without having to install new machineries.

OPCOM Cables, which utilised state-of-the-art technology, operates on a 75,000 sq ft plant on a 10-acre (4 ha) site. "This gives us a lot of space for future expansion," Mukhriz said.

The company, with a present paid-up capital of RM16 million aims to increase it to RM22 million this year by investing in more machineries.

Despite production having started only on Nov 1 last year, the company is optimistic that it could realise a turnover of RM150 to RM200 million in

1996.

To a question, Mukhriz said the company was already using 40 percent local contents in term of raw materials and hoped to increase it to 80 percent within the next two years.

He also said the company had plans to launch an umbrella vendor programme with potential local suppliers.

OPCOM Cables, which has its own Research and Development laboratory, only employs 40 people of which three are expatriates seconded from Ericson.

The company's plant would be officially launch by Deputy Prime Minister Datuk Seri Anwar Ibrahim on Jan 19.-- BERNAMA