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IMP: DEVELOPMENT OF SMI CRITICAL FOR INDUSTRIAL CLUSTER DEVELOPMENT

KUALA LUMPUR, Nov 28 (Bernama) -- The Second Industrial Master Plan (IMP2) will provide policies and programmes to further develop and integrate domestic small and medium industries (SMIs) as the critical and strategic link to develop and strengthen cluster formation as well as increasing domestic value-added.

One of the main factors for the low and poor linkages of existing industries was the absence or lack of participation by local SMIs as the main suppliers and service providers to leading industries, the Ministry of International Trade and Industry (MITI) said in the IMP2 unveiled by Prime Minister Datuk Seri Dr Mahathir Mohamad today.

Based on the present condition of the SMIs, the government would set up the necessary environment and support programmes for them to undertake research and development (R&D), particularly in product quality improvement and support programmes as well as nurturing locally interconnected yet globally-oriented SMIs.

Besides strengthening the SMI economic foundation in key industrial clusters, the government would enhance SMI support facilities like by expanding market access while at the same time establishing necessary infrastructure such as specialised parks for them.

The government would also encourage specialised public sector research institutions and the various technical institutions and universities to undertake and extend R&D, technical expertise and support services to SMIs.

The Small and Medium Industries Corporation (SMIDEC)'s key strategy for the SMIs was the Industrial Linkage Programme (ILP) to integrate local companies into the mainstream of the industrial sector.

The ILP would try to form dynamic and efficient support and ancillary industries that were necessary in forging stronger industry linkages which would initially concentrate on developing the role of SMIs in those industries which have the greatest potential for forging linkages.

The industrial cluster that have the greatest potential to generate linkages were in the machinery and equipment, electrical and electronics, automotive and motorcycle, marine transportation and wood-based products industries.

In the domestic machinery and equipment cluster, the SMIs could play a role to develop the cluster by supplying products and services related to the manufacturing, refurbishment and maintenance of machines and equipment for various industries.

SMIs would also play a greater role in supplying intermediate components and parts as well as support services related to the electrical and electronic cluster.

The ministry said some opportunities that could be tapped by the SMIs in this cluster were in the electrical apparatus sector, consumer electronics sector, semiconductor and components sector, computer peripherals sub-sector and telecommunications equipment sector.

In the automotive sector, the SMIs could supply intermediate products like engines, transmission equipment, electrical systems and support services for, both, the domestic and the international markets.

In the motorcycle sector, there was a scope for the SMIs to manufacture intermediate components like underbones, clutches, transmission systems and clutch plates.

For the marine transportation cluster, SMIs would be encouraged to

supply physical parts and components as well as system integration related to the marine industry.

In addition, they were also encouraged to supply parts and services in the manufacture of hull structures, propulsion, shafting, power distribution, fittings and furnishings.

SMIs in the wood-based industry should be prepared to move towards the production of medium to high technology value added products including specialty paper, designer furniture and special panel products. -- BERNAMA

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