

22/05/1997

Ericsson vote of confidence in Govt's vision

LONDON, Wed: Ericsson, Sweden's telecommunications giant, may move its Malaysian headquarters to the Multimedia Super Corridor (MSC) in six or seven years. It also plans to set up at least two other operations in the MSC.

Its president and chief executive officer, Dr Lars Ramqvist, said the two new operations are a software design and production plant, for which it has applied to the Government for approval, and a training institute.

Ramqvist said Ericsson has also decided to set up a mobile telephone production facility in Malaysia. The decision reflects the company's confidence in the country's economy which also boasts a highly professional and competent workforce.

The new facility will be located in Shah Alam and will produce mobile phones for export to Asia Pacific countries. It is expected to employ several hundred workers when it reaches full capacity in two or three years. Production is expected to start in December.

Ramqvist disclosed this at a press conference after a private meeting with Prime Minister Datuk Seri Dr Mahathir Mohamad who is here to promote the MSC. The Ericsson boss said details of the company's involvement in the MSC were discussed.

It was one of several meetings Dr Mahathir had with chief executive officers of key companies involved in information technology and multimedia.

Ramqvist is a member the MSC International Advisory Panel which includes, among others, leading industry personalities like Bill Gates, Kenichi Omaya, Jim Barksdale and Lewis Platt.

"I look forward to working and meeting with other members of the panel who are world leaders in their respective areas and hope to contribute positively and actively to the MSC," Ramqvist said.

An Ericsson statement issued here said decisive factors for locating the mobile telephone production plant in Malaysia include the country's political and economic stability, its strategic location and advanced infrastructure.

Asked to elaborate on the company's proposed software design operations in the MSC, Ramqvist said the company is hopeful of a positive response to its application to set up the plant.

This will involve one of the company's subsidiaries, Ericsson Hewlett-Packard which currently also operates in Sweden, France and the US. The new facility in Malaysia will be its first in Asia and will serve the region.

Meanwhile, the setting up of the institute will involve the relocation of the company's current training academy in Shah Alam to the MSC, where the environment is expected to be more conducive for creative and educational activities. Apart from Malaysians, the institute will also have trainees from other Asian countries.

Ericsson's annual turnover of RM1 billion in Malaysia represents about 3 per cent of the group's total sales worldwide. Its biggest markets are China and the US.

Asked to estimate Ericsson's investments in the new ventures, Ramqvist said this is not yet possible as a lot depends on what infrastructure the company will need to build before the actual operations can begin.

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