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Firms told to go high-tech, lower labour content

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THE number of foreign workers could be reduced if local companies go hi-tech, Prime Minister Datuk Seri Dr Mahathir Mohamad said yesterday.

He said the industries in Malaysia should work towards lowering the labour content, adding that Malaysia now had 1.7 million foreign workers.

Dr Mahathir said, by going hi-tech, the country would no longer depend so much on foreign labour.

"What we are doing now is to move into high technology because the (local) industry now depends too much on manual workers," he said at a luncheon with members of the Malaysian Industry-Government for High Technology at Carcosa Seri Negara.

Might, launched by Dr Mahathir in 1993, is a joint initiative by the Government and private sector to promote prospecting activities in technology and business at the domestic and international market-place.

Dr Mahathir said local companies were now not only labour-intensive but their existing manpower also lacked the skills to switch to high technology.

"We have to understand how to reduce dependence on manual labour," he said stressing the need for Malaysians to upgrade their skills to cope with technological changes.

Dr Mahathir said Japan, with a population that was six times more than Malaysia and a booming economy, did not rely on foreign workers.

"This shows that Japan had managed its workforce well."

He said Malaysian industries should also upgrade the skills of Malaysian workers.

"We have the capacity but we have to make a determined effort," he said.

The 1996 Productivity Report, released last week, stated that although the level of automation in the manufacturing sector was relatively low, the awareness of the companies towards automation was considered high.

Most companies said they planned to automate their processes.

The report described this awareness on the need for automation as a step in the right direction and in tandem with government policy to phase out dependence on manual labour in the manufacturing sector.

As the manufacturing sector is the main engine of growth for the economy, the shift towards automation may be viewed by the companies as vital in contributing towards the success of the economy.

About 70 per cent of the responding companies stated that they had a high increase in production rate. About 64 per cent said they were able to produce goods faster.

More than 50 per cent of companies experienced significant level of benefits in areas such as elimination of dangerous jobs (55.4 per cent); improvement in quality (53.1 per cent), and prompt delivery of products (51 per cent).

Dr Mahathir also launched Might's Homepage, Primenet, and its membership directory.

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