

17 MAR 1997

PCS AND POWER GENERATORS AMONG ITEMS TO ROLL OUT OF MEC

By: Mohd Arshi Daud

KUANTAN, March 17 (Bernama) -- Malaysia Electric Corporation (MEC) Bhd has identified ACER home personal computers and power generators from other companies as some of the items that may be manufactured along with electrical appliances at its RM4 billion MEC city at Gambang here.

MEC director of corporate affairs, Voon Siew Peng, said at a press conference last night that the company was still at the initial stage of negotiations with several parties to undertake joint venture activities for the two products.

The computers and generators will be marketed in both local and overseas markets but would not be sold under the MEC brand name, as the latter catered specially for the company's own electrical appliances, she said.

For the computers, MEC might form a joint venture company with ACER of Taiwan to facilitate the transfer of technology and products, said Voon.

On technology transfer, MEC president, Datuk Seri Teong Teck Leng said with a strong commitment to enhance human resources development of the country, a training centre on a six hectare site was expected to completed this year.

"We want to build up the local talent in research & development to smoothen technology transfer," he said.

At present, the company has acquired technology through the acquisition of manufacturing plants of established companies like Kambrook of Australia and Grundig of Germany in Penang.

Apart from building on the strength of the existing R&D facilities from the two acquisition, MEC had also directly bought technology from Japan, Taiwan, Korea, Europe and Hong Kong in the last 12 months, added Teong.

As for funding of the MEC city project, he said it would be undertaken through a combination of bank borrowings, sales of products and funds from the floatation of MEC Bhd on the Kuala Lumpur Stock Exchange.

The company has set a conservative sales figure of RM1 billion this year given the good response in both the local and overseas markets, especially in developing and middle eastern countries.

However, "we are unable to provide the exact breakdown of the financing as the matter is still being worked out by the company's merchant bankers and was also subject to government approval, he said.

This was in view that the government, through its investment arm, Khazanah Nasional Bhd, holds a 30 percent interest in MEC Bhd, which is a brainchild of the prime minister Datuk Seri Dr Mahathir Mohamad.

Sixty percent interest in MEC Bhd is held by listed Kuala Lumpur Industries Holdings Bhd.

On emerging markets like the middle east to which MEC would start exporting next month, Feng said it was relatively easy partly due to the fact that Malaysia is a Muslim country and the government itself has done a good public relations job.

With MEC Bhd targetting a 10-20 percent market share out of the total RM5 billion local electrical appliances sales for 1997, MEC hopes it would take away some share of existing players especially that of local brands, he said.

This was because the company produces medium to high end products at slightly lower prices than its foreign competitors and better products with slightly higher prices than local producers.

To a question, Voon said MEC was developing a vendor development program with the relevant authorities.

She added the company was getting its present vendors and suppliers to set up their facilities at MEC city to support MEC's over 20 core factories in the project.

At present, MEC Bhd produces over 200 electrical appliances using as high as 100 percent local content. -- BERNAMA

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