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MAHATHIR-MICROCHIP

MORE VALUE-ADDED NEEDED IN MICROCHIP INDUSTRY

KUALA LUMPUR, Nov 6 (Bernama) -- Efforts should be geared towards increasing the value-added in microchip exports from Malaysia as the local content in these product was small, Prime Minister Datuk Seri Dr Mahathir Mohamad, said.

He said that although Malaysia was the third largest producer of microchips in the world, the value-added was very small which was why it needs to increase local inputs so that exports contain greater value-added local inputs.

"The majority of the contents are made up of imported components," he told reporters here today after a conference on the establishment of a Malaysian computer-aided design and microchip industry conference here today.

This would require human resoucre development in microchip design which forms an important part of the microchip industry.

Dr Mahathir said that when Malaysia was turned into an industrialised country, the government's main concern was to create jobs.

"But now not only has millions of jobs been created for locals, the country has also provided two million jobs for foreigners," he said.

"Now, we don't want to create jobs, we want to have more value-added which could come from the microchip industry," he said.

To this end, he said the government wants to be helpful to the private sector but this requires feedback and communication from the latter on their needs.

He said the government was willing to re-examine its policies to accomodate the business community, adding "we have changed many laws and policies to ensure that they succeed."

Dr Mahathir said Malaysia was involved for more than two decades in industrial activities and now has reached a stage where the people could start their own industries, as well as undertake marketing and designing.

He said the industries have moved from simple mechanical production to microchip industries which are complex, complicated and mysterious.

He said if Malaysia does not acquire technology in microchips, it would surely be left behind.

To attract people to be involved in microchip design, it is no longer enough to provide tax holidays or other tangible things but it is now important to offer an environment that trigger ideas, he said.

Dr Mahathir said Malaysians could develop skills in microchip design provided that they keep on trying.

He said designing microchips was not as easy as learning theories but it also involves the task of fiddling around "with the mouse on the screen".

He said knowledge in design was not enough without knowledge in application and marketing.

As such networking was important to make microchip design and production successful in Malaysia.

The Prime Minister said Malaysia has the Multimedia Super Corridor which is dedicated to bring together people in the information technology industry as well as designers of microchips. -- BERNAMA

AD MR/MFJ