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Alcatel plans to increase investment in Malaysia

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INTERNATIONAL telecommunications giant Alcatel, impressed with Malaysia's information and communications technology (ICT) developments, plans to strengthen its foothold in the country.

Alcatel Group president (Asia Pacific) Ron Spithill said it "makes a lot of sense" to strengthen Alcatel's investment in Malaysia's Multimedia Super Corridor (MSC), and plans will be finalised in the next three months.

"I am impressed with the MSC's progress and have asked my people to review our position here and to build on to it," he told reporters in Cyberjaya recently.

Spithill, who is in the country for the 4th MSC International Advisory Panel meeting, said he had conveyed the company's intention to Prime Minister Datuk Seri Dr Mahathir Mohamad.

Towards this end, the group plans to invest RM50 million to establish a centre for excellence in Malaysia for Asia.

The centre, which will be housed at the Petronas Twin Towers, will promote technology transfer. It will provide training for customers on its product usage as well as train Alcatel engineers in the region.

The group is also investing RM5 million in its Penang plant to double the facility's power converters' manufacturing capacity.

On the MSC, Spithill said the project has the potential to be the leading centre to spur growth in the information technology (IT) and knowledge industry for South-East Asia.

The MSC could create a considerable impact on IT development in the region because there is quite a few initiatives like this in other places in the region, he added.

"In fact, there are not many places in the world that have such initiatives and programmes that focus on the knowledge industry and technology like the MSC.

"Malaysia has been on the fastrack on the knowledge technology. This country has every chance of becoming a leading centre in technology fields in South-East Asia," he told reporters.

He said although Singapore is one of the other centre which has done a lot to develop IT, Malaysia in the past has chosen to be more focused.

Spithill also said internationally, Alcatel has spent US\$17 billion (US\$1 = RM3.80) to acquire European and US-based companies in the past three years. This time around, the company is setting its eyes on Asian companies.

Initially, the company acquired companies in Europe followed by the US. Now, it is shopping for technology companies in Asia.

"We are looking at some companies," he said, but declined to elaborate.

The group recently purchased Canadian company Newbridge Networks, a telecommunications equipment maker, for US\$7.1 billion.

"If you look at the pace of the industry today it is extremely difficult for a single company to do business. It is hard to do everything on its own in which a company has to be in charge of doing everything... we've got to have a mixture of research and development, marketing and the like.

"Mainly, we acquire other companies to get lead of the market in the areas which we are weak in. It is not so much to get the market share or coverage because Alcatel is already an international company operating in 130 countries," he said.

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