

21 FEB 2000

ERICSSON-INVEST

ERICSSON TO INVEST RM100 MLN FOR EXPANSION OF SHAH ALAM PLANT

KUALA LUMPUR, Feb 21 (Bernama) -- Ericsson, a Swedish telecommunications company, plans to invest an additional RM100 million this year to expand its plant located in Shah Alam near here, said Kurt Hellstrom, president of Telefonaktiebolaget LM Ericsson today.

Today, the mobile phone production plant, the first in South East Asia and first for Malaysia has produced over 4 million units of phones since it began operations in 1997.

Ericsson had already invested over RM250 million in setting up and upgrading the plant, he told a press conference after the inauguration of the plant by Prime Minister Datuk Seri Dr Mahathir Mohamad today.

Hellstrom said 95 percent of the production is exported, adding that, "The factory produces 10 percent of Ericsson's total output worldwide."

The additional RM100 million investment, said Hellstrom, would enable the company to meet the expected increase in the world's mobile phone sales to around 420 million units this year compared with 270 million phones in 1999.

As for sales of mobile phone in Malaysia, he said it could reach four million users by the end of the year from 2.5 to three million total subscribers at present.

With the surging mobile phone sales around the world, he said prices of phones have been dropping around 15 percent annually, he added.

Ericsson has more than 1,800 employees in Malaysia. -- BERNAMA

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