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Ericsson to invest RM100m more on plant

ERICSSON, a Swedish telecommunications company, plans to invest an additional RM100 million this year to expand its plant in Shah Alam, said Kurt Hellstrom, president of Telefonaktiebolaget LM Ericsson.

The mobile phone production plant, the first in Southeast Asia, has produced more than four million units of phones worth over RM1 billion 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 opening of the plant by Prime Minister Datuk Seri Dr Mahathir Mohamad yesterday.

Bernama quoted Hellstrom as saying that 95 per cent of the products were exported, adding that "the factory produces 10 per cent 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 phones in Malaysia, he said it could reach four million users by the end of the year from 2.5 million to three million total subscribers currently.

With the surging mobile phone sales around the world, he said prices of phones had been dropping around 15 per cent annually.

Ericsson has more than 1,800 employees in Malaysia.

The plant utilises local components and raw materials estimated at RM700 million sourced locally from small, medium and large companies.

Ericsson employs more than 100,000 people in 140 countries.

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