

01/12/2000

Kedah's Hi-Tech hope

IF THE industrial sector is Kedah's engine of growth, then the Kulim Hi-Tech Park (KHTP) is nothing less than the spark that keeps the combustion process going. There is no doubt that the park is central to the state's ambition to be fully developed by 2010.

Like any other industrial estate, KHTP is expected to attract investments, which in turn will enrich the economy and the people in various ways. But what distinguishes KHTP is its bold and forward-looking concept. After all, it is not for nothing that it is dubbed 'Science City of the Future'.

The idea is to shape KHTP into the national centre for advanced technology and innovation. To achieve this, Kulim Technology Park Corporation Sdn Bhd (KTPC), the company that develops and manages the park, takes in mostly companies engaged in high-technology manufacturing. The emphasis is also on research and development (R&D), and on education and training, particularly in technology.

It may all sound highly exacting, but KTPC can point to the tenant list and the size of investments to date, to prove that there are enough investors out there who have faith in the vision for KHTP. Over 30 manufacturing and service companies are operating in the park. In total, they have invested over RM16 billion. Says KTPC managing director Ahmad Shukri Tajuddin, 'Companies know that KHTP only targets specific industries. Those who come to us are those who meet our requirements.'

Among the companies in the park are subsidiaries of international names such as Intel Corporation, Fuji Electric, Entegris and Celestica. But perhaps the tenant getting the most attention is Silterra Malaysia Sdn Bhd, a semiconductor manufacturer whose investments total US\$ 1.47 billion (RM5.6 billion). Silterra's silicon wafer fabrication plant, the first in Peninsular Malaysia, is expected to be fully operational in March.

With the Silterra facility almost ready, KHTP comes closer to becoming a true Silicon Valley of Malaysia. The aim is to have a set of tenants who together will represent the entire series of processes taking place in the semiconductor industry, starting from wafer fabrication to testing of the final semiconductor device.

'We want to turn KHTP into a version on the fully integrated semiconductor industry. It'll be very interesting to see once this is fully developed. We're now looking for companies that design chips,' says Shukri.

Another measure of KHTP's success is the proposed expansion of the park, which now sprawls over 1,450 hectares. Another 400ha have been acquired for the third phase and the work should start by the second quarter of next year. Judging from the first two phases, the next stage of development is likely to wow people.

Prime Minister Datuk Seri Dr Mahathir Mohamad launched KHTP, Malaysia's first high-technology park, in March 1996. It was Dr Mahathir who had mooted the idea for the park six years earlier as an avenue to enhance the country's competitiveness in manufacturing and R&D. From the start, the plan was to draw world-class players by offering world-class infrastructure and stout support. And that means KHTP must be fully integrated. It is split into six zones, of which the largest two (about 480ha each) are the Industrial and Residential/Commercial Zones. The former comprised the industrial lots (including R&D, administrative and

other supporting facilities), while the latter is essentially a satellite township with homes, shops, offices and a shopping centre.

Those operating in the R&D and Training Zone includes the Malaysian Institute of Microelectronic Systems (Mimos), which has set up an electronics research centre, and Sirim Bhd, whose Advanced Material Research Centre is meant to serve as a catalyst for technological developments in KHTP.

Among the educational and training institutions in the zone is the Kulim Advanced Education Centre, which offers engineering degrees and computer integration courses. Eventually, KHTP will boast a range of educational institutions that include colleges, a polytechnic, a smart school, an international school, and a kindergarten and nursery.

The latest addition is the Techno Centre. It will provide state-of-the-art research and technical support facilities and services to industrialists and entrepreneurs in the northern region. It offers 30 lots of incubator space. In the 2001 federal government budget, RM16.7 million is allocated to equip the Techno Centre.

A large chunk of the Amenity/Recreational Zone is, in fact, the Kulim Golf and Country Resort. Developed by KTPC Resort Development Bhd, which KTPC controls, the resort boasts a 27-hole golf course and a clubhouse, and includes apartments and bungalow lots. The Urban Zone is KHTP's business and administrative heart, while the Institutional Zone comprises public facilities and institutional reserves.

When asked to name KHTP's strengths, Shukri first mentions the human resource element. He points out that Malaysians are trainable and there are generally very little communication problems. It is also a good thing that Penang has a strong electronics industry. This has led to a pool of workers who are at least somewhat familiar with the type of operations carried out in KHTP.

Shukri adds that the park's infrastructure is among the best in the region. This covers the water, electricity, telecommunications, roads, industrial gases and a toxic waste storage facility. The quality of infrastructure is a big reason why KHTP is ranked among Asia's top technology parks.

But perhaps the strongest selling point is the government support for the project. For example, the park is unique in the sense that it has its own local authority, which means less hassles when it comes to matters such as planning approvals and maintenance of public areas. The government role is even more crucial in dangling incentives before potential investors; KHTP's tenants, especially those involved in high technology, do get several incentives.

In this case, government backing is doubly valuable because of the funding provided. Shukri says it is tough for the private sector to undertake a project like KHTP, which is wholly owned by the Kedah State Development Corporation. 'This is a national project to build a Science City. We are very selective because we want to bring in investments and technologies that fit this objective,' says Shukri.