

03/03/2000

Motorola to invest up to RM1.9b over next seven years

MOTOROLA Inc, one of Malaysia's largest foreign investors, will be investing an additional US\$250 million (RM950 million) to US\$500 million (RM1.9 billion) in the country as part of its expansion plan over the next five to seven years.

The investments will be in core areas which comprise development and growth of top class software engineers and the establishment of the Motorola Multimedia Software Centre of Excellence in Cyberjaya, its chairman and chief executive officer Christopher B. Galvin said yesterday. Two other areas included are the building and installation of the first phase of the new four-phase Motorola Technoplex in Penang and expansion of the company's semiconductor operations.

Motorola, which has been here for 27 years, has invested a total of RM4.8 billion in the country.

Currently, Motorola Malaysia's operations consist of two manufacturing sites (in Kuala Lumpur and Penang), a world-class research and development centre, an Asia-Pacific distribution centre, a multimedia super-corridor-status software centre and seven core sales business.

"Last year, (the Malaysian operation) achieved a robust growth of over 45 per cent with sales turnover in excess of US\$2 billion (RM7.6 million), and we expect a stronger growth for the year 2000.

"We feel Malaysia offers tremendous opportunity in telecommunications, with the penetration rate expected to double in three years or so," he said, attributing the positive outcome to the country's move to become an "information technology-focus nation."

Galvin, who was on a one-day visit to Malaysia, was speaking to reporters after a meeting with Prime Minister Datuk Seri Dr Mahathir Mohamad in Kuala Lumpur.

Motorola Malaysia is currently developing new telecommunications technology which are being driven by WAP (wireless application protocol) which enables cellular phones to access the web without wires, as well as the development of the general packet radio service, third generation (3G) technologies and broadband communications.

Galvin said Motorola has strong confidence in Malaysia as a conducive environment in terms of quality infrastructure and human resource to grow its investment.

"We aim to focus not only on the development of engineering competencies but also in nurturing and growing creative talent and innovative ideas and minds.

"This will serve Malaysia's economic needs better as they can in time, be the nation's future information-age entrepreneurs."

Asked if the pegging of RM3.80 to US\$1 is one of Motorola's considerations before investing in Malaysia, Galvin said: "We make our investment by managing currency changes in the long-term, and not necessarily because of the depreciation in the currency.

"We cannot rely on this for returns but instead we look at how to create long-term value with people and how to derive competitive advantages out of our investment."

Meanwhile, Motorola's executive vice-president and Asia-Pacific region president C.D. Tam described the amount of investment proposed for Malaysia as "very big".

"We also have massive investment in China, but we do not compare

investment in one country with another. This is because we have to discuss with the Government and look at mutual business interests," he added. Motorola's semiconductor facility in Malaysia is one of the largest and most sophisticated in the world with products ranging from microcontrollers and microprocessors to digital signal processors and fast static RAMs (random access memory) to support the networking, computing and transportation segments. Malaysia is also the home for Motorola's first two-way radio products which comprise walkie-talkies and digital despatch portable radios, and accessories such as chargers, microphones and batteries.

(END)