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BOEING-MSD

BOEING EXPLORING INVESTMENT OPPORTUNITIES IN MSD, SAYS CONDIT

By: Yong Soo Heong

KUALA LUMPUR, May 25 (Bernama) -- Boeing, the global aerospace, aviation and space communications giant, will explore investment opportunities in the Multimedia Super Corridor (MSD) here, said its chairman and chief executive officer, Phil Condit.

He said Boeing could work on projects like Connexion, its airborne Internet service, as well as Digital Cinema and space communications.

Connexion is a broadband Internet service now already available on private business jets while Digital Cinema is a revolutionary fibre-optic and satellite-based point-to-multipoint film delivery system to cinemas around the world.

"We are a company which does a lot of work in communications. There may be some things we can do there as well," Condit told Bernama in an interview here.

Condit, who is now on a tour of several Asian countries, met Prime Minister Datuk Seri Dr Mahathir in Putrajaya yesterday.

When asked about Boeing's 25 percent-owned joint venture, Asian Composite Manufacturing Sdn Bhd, at Bukit Kayu Hitam, Kedah, Condit said the composite materials plant would start production by the end of this month.

Condit, who is also evaluating economic developments around the world, was asked how he felt about Malaysia and the potential impact from the US economic recovery. The Malaysian economy grew by 3.2 percent in the first quarter of this year despite the onslaught of the US economic slowdown late last year and earlier this year.

"I have been impressed by what I have seen in Malaysia. The (economic) activity level is very high," said Condit, who has been with Boeing for the last 35 years.

He added, "There is a lot going for Malaysia. My hope for Malaysia is that if the US does recover, things like chip production will see that impact rather directly, and that can be very positive (for Malaysia)."

A major chunk of Malaysia's manufactured exports is in electronic components and semi-conductors. Motorola, one of the largest US manufacturers of semi-conductors in Malaysia, is already bracing for an upturn in the chips industry by the fourth quarter of this year.

"There are reasons (for us) to be relatively optimistic about Malaysia but we are moving to a global economy where everything is connected," said Condit.

He also said while the US economic recovery was important for Boeing, economic conditions in the rest of the world were even more important.

"We are a business that has more than 50 percent of our revenues outside the US. And some areas of our business like commercial airplanes have 70 percent of their revenues outside of the US.

"I am looking at the impact of the US economy on the world economy and part of what I am doing on this trip is getting a feel for the economies of Asia like what's going on, what's happening in Japan, Malaysia, Singapore or China," he said.

Condit felt that Japan was worrisome as its economy had been flat for 10 years.

"There are still major economic issues. (Although) it is clearly focused on reform, that's a big and difficult task."

As for Europe, Condit said he was also a little worried about that region as it was slowing down.

But he said things were different in the US as the Federal Reserve Bank had aggressively responded to the economic situation by slashing interest rates.

"Europe has been slower in doing that and this impact (from being slow to reduce interest rates) is being seen (in its slowing down)," he said. --
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