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FMM-CHALLENGES

DEVELOPING COUNTRIES NO LONGER OUR COMPETITORS, SAYS FMM

KUALA LUMPUR, April 25 (Bernama) -- The future competitors of Malaysia will no longer be the developing countries but emerging industrialised countries like South Korea, Taiwan, Singapore and even some Western countries.

"We are now at the crossroad...the next five years will be critical for us in making the transition from a purely manufacturing based economy to a knowledge-based economy (K-economy)," said Federation of Malaysian Manufacturers' vice president, Datuk Paul Low, today.

He added Malaysia was no longer an attractive destination for Multi-National Corporations (MNCs) in terms of labour compared with China and India.

In fact, he pointed out that in recent years, 85 percent of the total Foreign Direct Investments inflow to Asia was directed to China.

Given that, Low said that in the next five years, the key areas that need to be addressed by Malaysia would be globalisation, Information and Communications Technology (ICT) and the K-economy.

In terms of globalisation, he pointed out that China and India were attractive to investors due to their large domestic market.

Malaysia should also push for this through Asean which has a combined population of over 500 million people, he told reporters after the launch of the 32nd edition of the FMM Directory of Malaysian Industries and the fifth edition of the SMIs Handbook 2001/2002 here today. The publications were launched by FMM president Jen (Rtd) Tan Sri Zain Hashim.

In the area of ICT, Low said local manufacturers should take full advantage of the new technologies to improve their manufacturing processes and expanding their market reach via the internet.

He also believed that product innovation and Research and Development would be key elements to the success of Malaysian manufacturers in the future.

"In future, we cannot be just another original equipment manufacturers and sub-manufacturers, we need to innovate and come out with new technologies where we can lead the market," said Low.

Relating to the Eighth Malaysia Plan (8MP) unveiled by Prime Minister Datuk Seri Dr Mahathir Mohamad on Monday, he said the challenges in the 8MP were very different from the previous Malaysia plans.

Given the new scenarios, Low complemented the government's efforts for addressing the issues in the 8MP.

However, he said the big challenge for now was whether the general public was aware of the new challenges ahead and prepared to make the necessary changes to survive in the new economy.

"The government knows these challenges, we (manufacturers) are also aware of this but the issue is whether the public know the challenges ahead," he added.

He said these directories provided a useful tool in promoting Malaysian manufactured goods both regionally and worldwide and were widely used by foreign embassies, trade associations and government agencies as the source of information on Malaysian companies and products. -- BERNAMA

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