

PM: Malaysia ideal hub for joint ventures

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LANGKAWI: Malaysia's solid infrastructure, political stability and robust economy will provide a fertile ground for joint ventures between international original equipment manufacturers (OEMs) and local companies, said Datuk Seri Abdullah Ahmad Badawi.

An OEM is a company that produces items for other companies to be used in the manufacturing of other products.

The prime minister said the joint ventures could be successfully accomplished through strategic partnerships and alliances across different segments of the industry.

He said the segments could involve design and development, testing and certification, manufacturing, systems integration, maintenance, repair and overhauls (MROs) and lifecycle management.

"Certain OEMs in Malaysia have already shown considerable commitment towards developing sustainable partnerships.

"They have worked to establish in-country operations, and have chosen Malaysia as their industrial hub, thereby generating employment, developing a vendor base, enhancing local skills and transferring technology to the defence as well as related industries," he said at the opening of the Langkawi International Maritime and Aerospace 2007 exhibition (Lima '07) at the Mahsuri International Exhibition Centre yesterday.



Abdullah said the move by OEMs to set up joint venture companies here was in line with the government's aspirations to build long-term sustainable partnerships towards meeting growing regional demand and serving global markets.

"Global OEMs and other multinational companies can play a key role in building businesses with Malaysian partners. My government remains committed to creating a conducive environment for investment and to develop Malaysia as a strong base from which to capture regional markets.

"Insofar as local companies are concerned, they should continuously seek to improve their technological edge through long-term research and development programmes, eventually building up their capabilities to penetrate the international market via global partnerships and other means."

The prime minister urged the local companies to take advantage of Lima '07 to network and identify ways in which collaborative enterprises with foreign companies at the exhibition can be entered into.