

ELECTRICAL & ELECTRONICS

STMICROELECTRONICS CELEBRATES 50 YEARS IN MUAR

IN 1974, when STMicroelectronics (ST) was scouting for locations to establish its factory in Malaysia, it picked Muar in Johor for its proximity to the logistics gateway that is Singapore as well as the availability of local talent. "Other locations were also considered, but Muar was the best option, as it provided a good balance of all key considerations including location, infrastructure, human resources and government support," says STMicroelectronics Muar Sdn Bhd (ST Muar) group vice-president and general manager C S Tan.

The global semiconductor company began life as SGS ATES; in 1987, SGS Microelettronica of Italy and Thomson Semiconducteurs of France merged to become ST. Today, the integrated device manufacturer, based in Switzerland, has 14 main manufacturing sites around the world and offices in 40 countries, with more than 50,000 employees worldwide.

ST Muar, which celebrates its 50th anniversary this year, is one of a handful of the group's back-end manufacturing facilities in Asia. It is the group's sole manufacturing site in Malaysia — assembling and testing semiconductor products in the automotive, industrial and communications markets for a wide variety of Tier-1 automotive customers and global industrial customers.

The 14-acre site, says Tan, has grown over the years and comprises eight buildings today. With 4,800 employees, it is by far the largest private employer in northern Johor.

"The Muar plant is one of ST's largest assembly and test plants, specialising in high-complexity and high-reliability packages. A major portion of the production volume is dedicated to automotive products and the site is a leader in automotive product engineering and test development. The site also hosts ST's global business services (located in Muar and Kuala Lumpur).



ST Muar's facilities and operations have expanded over the last five decades

"Over the past three years, the plant has also ventured into advanced packaging, with the introduction of breakthrough packaging technology offering significant advantages in electrical and thermal performance, as well as productivity, on the site," says Tan.

Sustainability is central to ST Muar's business model; the group has set a target to be carbon neutral in scopes 1 and 2 and partially in scope 3 by 2027. "We are on track to achieving that goal," says Tan, adding that ST Muar sets very high standards in environmental, social and governance aspects. "We are currently recycling 99% of our waste. For



PHOTOS BY ST

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the construction of every expansion project that we launch, we engage an international consultant to conduct an environmental impact assessment study using standards higher than our local requirements.”

A pioneer in the state’s electrical and electronics (E&E) industry, ST Muar says Johor’s unique selling point is the ease of doing business. “The state government and the Johor Menteri Besar’s office are very business-friendly and take immediate action to make business processes free from red tape as much as possible. The local council in Tangkak also works closely with us to ensure operations are maintained as seamlessly as possible,” says Tan.

Like most of the companies in Johor’s manufacturing sector, ST Muar has faced its share of challenges, particularly manpower. “The past five years have posed a manpower challenge, especially with a weakened ringgit. Having said that, Muar remains attractive, offering a good quality of life and is considered one of the most beautiful towns in Malaysia,” Tan says.

Apart from good relations with the

The opening of the GEMS (Girls in Engineering, Maths and Sciences) lab that was sponsored and set up by ST Muar at SK Convent Muar in October 2023

state government, the company also values collaborations with other stakeholders. “Collaborations, especially with institutions of higher learning, are very important, and we have been working closely with Universiti Tun Hussein Onn Malaysia and Universiti Teknikal Malaysia Melaka — sponsoring the Internet of Things lab in both universities,” says Tan. “These universities provide the pipeline of engineering talents that are vital to the growth of our industry. We have many programmes running every year with these universities, such as internships, employee education programmes, labs, career talks and curriculum consultations.”

The outlook for the E&E sector in Johor is very good, he says. “As we serve the global market, our business does not depend on local market conditions.”

Tan adds that, in any case, factors such as infrastructure, local government support and the local community have been improving and will get even better in the coming years, which collectively is reason for optimism. ● By Sreerema Banoo