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Mahathir-Multimedia

INCENTIVES TO BOOST MULTIMEDIA CORRIDOR INVESTMENT

By: Tham Choy Lin

TOKYO, May 15 (Bernama) -- Malaysia will offer tax exemptions from five to 10 years and other incentives to draw foreign investors to its proposed Multimedia Super Corridor (MSC) in Kuala Lumpur.

Prime Minister Datuk Seri Dr Mahathir Mohamad said today the government is also looking into a set of guarantees to ensure that foreign investors will be able to maximise their investment in the MSC.

Laws will be enforced to protect intellectual property to encourage creativity and more investment.

Already, well-known telegraph and telephone companies are planning to locate their international operations in the MSC located in a 600 sq km corridor south of the Malaysian capital, he told about 400 Japanese corporate leaders at a presentation on Malaysia's MSC.

Dr Mahathir said Malaysia will also ease immigration procedures to allow unrestricted access to foreign expertise and relax employment restrictions to hire and fire any staff.

At the same time, the government is looking into having sufficient and skilled human resources through multimedia and information technology education.

The "bill" of guarantee will include a provision to ensure the availability of world-class physical and information infrastructure so that all the required capabilities and supporting services will be available to investors.

"All these incentives are geared towards making the MSC physically, environmentally and culturally the most attractive place to work as far as multimedia is concerned," he said at the event sponsored by one of Japan's leading telecommunications firms, Nippon Telegraph and Telephone Corporation (NTT).

Dr Mahathir said Malaysia also offers many other strengths to make the MSC a leading multimedia catalyst centre -- political stability, cost advantage, growing pool of skilled engineers, cultural links with all major newly-industrialised economies (NIEs) and a multi-lingual population so that Malaysia can service both the East and West as a multimedia hub.

"Additionally, Malaysia has the political will to change any existing laws that may impede the speed and accessibility of the new information age," he said, adding that traditional laws governing communication will have to be reviewed to accommodate the new multimedia environment.

He said Malaysia's history since independence has shown consistency and predictability so that long-term investments and gestations will not be threatened by the twist and turns of volatile local politics.

The nucleus of the MSC will be formed by three ultra-modern mega projects, that is the self-contained integrated Kuala Lumpur City Centre which will have the latest telecommunications infrastructure, Malaysia's new electronic federal government administrative capital, Putrajaya, and the new Kuala Lumpur International Airport that is set to be one of the world's most modern airports and an important Southeast Asian hub.

Dr Mahathir said there will be ample land between these three centres for multinational industries to set up their headquarters to design and develop multimedia hardware and software by utilising the communication network that will be put in place.

The MSC will house knowledge-intensive and information-intensive industries, the kind that will propel the Asia-Pacific region into the

information age.

Future high-growth multimedia industries such as remote manufacturing and operations processing, semiconductor development, distance learning, telemedicine, integrated computing and communication solutions can all be located in the MSC, said Dr Mahathir.

Malaysia has also established a National Information Technology Council (NITC) in 1994 to formulate strategies to develop information technology and it recommended the setting up of a Multimedia Development Corporation (MDC) to service clients in the MSC.

The Prime Minister, who is NITC chairman, said the government has approved an initial budget of RM30 million for the MDC which is considering having offices throughout the world to market the MSC.

The NITC is forming an international advisory panel to help guide Malaysia to prepare itself with all the necessary infrastructure.

The panel has been invited for the first Multimedia Asia '96 Exhibition to be held in Kuala Lumpur from Aug 1 to 4 that will showcase the MSC to the world.

Dr Mahathir said organisations in the United States and Europe are also planning their multimedia parks and intelligent cities.

"Malaysia can spearhead this effort in the Asia-Pacific region and offer to Japanese industry a chance to extend its enterprises while enhancing profitability and productivity," he said.

NTT president Masashi Kojima and world-renowned consultant Kenichi Ohmae, who is the advisor to NITC, were among those present.

Dr Mahathir is here on a six-day working visit and is scheduled to proceed to the United States on May 18 for a similar trip. -- BERNAMA

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