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Microsoft

MICROSOFT OPTIMISTIC MSC WILL SUCCEED GIVEN GOVT COMMITMENT

By: Salmy Hashim

REDMOND (Washington), Dec 19 (Bernama) -- Software giant Microsoft is optimistic about Malaysia's Multimedia Super Corridor (MSC) and believes Malaysians have the talents and skills to move the country towards the information age.

Microsoft vice-president for intercontinental region, Orlando Ayala, said in an interview here recently that the company was "incredibly excited" about the MSC.

"The vision set by the Prime Minister (Datuk Seri Dr Mahathir Mohamad) matches our own vision. It is what we as a company are trying to push."

Ayala said what sets Malaysia's initiative apart from those of other countries was the "very high level of commitment. We don't see much of that in other parts of the world."

Dr Mahathir is the prime mover behind MSC, which will be the research and development centre for information-based industries.

He also envisioned MSC to be the "global test bed" for the new roles of government and cyber laws.

Ayala affirmed Microsoft's interest in the mega project and "this is confirmed by our chairman Bill Gates' commitment to serve as an active member on the (MSC's) international advisory panel".

"That is no longer an issue," Ayala said on Microsoft's commitment to help Malaysia and the MSC and pointed out that Gates had agreed to attend at least two sessions of the panel's meetings over the next few years.

Dr Mahathir is scheduled to meet members of the panel, comprising 10 IT leaders, for the first time in San Francisco in mid-January and Gates, currently the richest man in America, has confirmed his participation.

The Prime Minister took time off from his vacation in Canada to meet Gates in June at Microsoft's headquarters.

That meeting is believed to have sealed Microsoft's decision to locate its regional headquarters in Kuala Lumpur instead of Singapore.

The regional office serves countries in Southeast Asia, including Singapore, Thailand, Indonesia, the Philippines and Vietnam.

Ayala said the meeting between Dr Mahathir and Gates played an important part in Microsoft's decision to move its regional headquarters from Sydney to Kuala Lumpur.

But what was more important, he said, was Kuala Lumpur's location, its proximity to the neighbouring countries enabling resources to be deployed within less than two hours, and "the vision of the country".

Ayala said the company reported total revenue of US\$8.6 billion (RM21.5 billion) worldwide, and revenue from Asia including Japan was US\$1.3 billion (RM3.25 billion).

"A significant amount of the revenue came from Southeast Asia, our fastest growing region -- that's a very good picture for us."

A recent "PC Week" article said that last fiscal year, Microsoft's revenues doubled in Southeast Asia, making this its fastest growing region. "The company doesn't break out the numbers, but in Malaysia alone, by best estimates, it will rack up about US\$20 million (RM50 million) in sales this year."

Ayala pointed out that Southeast Asia has the potential to become a major information technology centre, but Malaysia and neighbouring countries should do more to enforce its intellectual property laws to protect not only major software companies like Microsoft but also

burgeoning local companies.

"Growth of a vibrant software industry is entirely dependent on the government's ability to protect software companies. That's absolutely crucial," he said.

On Malaysia's enforcement efforts, Ayala candidly said: "It is good in terms of the law. In terms of enforcement, I don't think it is."

He said all the government's incentives to promote MSC such as tax holidays of between five and ten years or free hiring of expatriates would come to nought if software piracy, a "US\$13 billion problem," was not combatted.

"All of these incentives are very good, but they're all riding on something called software. The real essence, the heart and soul of the industry, is software," Ayala said. "Unless these countries succeed in creating this protection it's going to be very hard."

The Mexican-born executive pointed to the success of California's Silicon Valley where companies, like in a gold rush, became rich as they developed the software industry.

He said more major companies would be attracted to invest in Malaysia and the region once software piracy was no longer a problem.

PC Week said piracy in the region robs 85 per cent of the potential market.

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