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YEARENDER: IT NOW A PRIORITY SECTOR FOR ECONOMIC GROWTH

By: Rizal Razalli

KUALA LUMPUR, Dec 30 (Bernama) -- Investment in Information Technology (IT) is now considered a necessary expense as Malaysia embarks on laying the foundations for a knowledge-based society to move the economy forward.

In this regard, IT has been regarded a priority sector that will help contribute towards a sustainable and strong economy in the next century.

IT is also seen as a back up impetus to the country's manufacturing and service sectors. In this regard, the local IT industry will be promoted as a new growth sector of the economy as its development will contribute significantly to the expansion of the industry activity and the creation of higher technology and skills.

Over the next five years, RM2.3 billion will be allocated to ministries and government agencies to invest in IT-related programmes and projects.

Prime Minister Datuk Seri Dr Mahathir Mohamad, who has been in the forefront to spearhead more concerted efforts in pushing for wider applications of IT, had said that Malaysia has no choice but to venture actively into IT to prevent the country from being left behind in the IT age.

Although the IT industry's contribution to Malaysia's gross domestic product (GDP) is relatively low at present, it is poised to grow at a tremendous pace in the immediate future.

The Association of the Computer Industry Malaysia or Pikom has estimated that the IT revenue next year would grow by about 20 percent to RM6.0 billion over this year's projected IT revenue of RM4.94 billion.

Pikom said the projected growth was in tandem with the continued growth in IT spending and this reflected that more Malaysians are willing to spend on computers compared with about 10 years ago.

Throughout 1996, the government has played a proactive and catalytic role in building and developing the IT infrastructure.

The establishment of National Information Technology Council (NITC), which is chaired by Dr Mahathir, for example, has marked the country's seriousness to promote IT on a wider scale.

The NITC's maiden and flagship project is the setting up of the Multimedia Development Corporation (MDC), which in turn would be responsible for designing, building and managing state-of-the art telecommunications network, known as the Multimedia Super Corridor (MSC).

The RM5 billion MSC is a specially-zoned 15 km by 40 km region south of Kuala Lumpur which will connect the pride of the country, the Kuala Lumpur City Centre (KLCC) with Malaysia's new administrative centre, Putrajaya, and the Kuala Lumpur International Airport (KLIA).

MDC executive chairman Dato' Dr Othman Yeop Abdullah said with the MSC, Malaysia would be linked through a network to built along the super corridor to key centres in the region and across the globe.

When fully completed it would have the infrastructure to support virtual boardrooms, remote CAD/CAM operations and live multimedia Internet broadcasting.

The MDC will be a one-stop-agency to manage and market the MSC to local and multinational IT companies. So far the response has been good.

Sun Microsystems, one of the big players in the industry, has stated its willingness to provide technology and collaborate with local parties on multimedia technologies. Even Bill Gates, the billionaire chief of Microsoft Corp, had agreed to be on the panel of international advisers for

the MSC.

IBM World Trade Corporation, through its Malaysian affiliate, is also showing eagerness to be involved.

To get the MSC project going on the right footing, Dr Mahathir will be in San Francisco in mid-January to meet 10 leaders of the US IT industry who are on the MSC international advisory panel. Inputs from the meeting are likely to have an catalytic effect on the development of the MSC. --

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