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## Blueprint for the future

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A VISIONARY conception, Malaysia's Multimedia Super Corridor (MSC) will be the cyber mainframe for the development of high technology (hi-tech) services expected to propel the country's economic growth of the future.

Observes the spokesman of a major foreign institutional investor, 'The thing that Malaysia's Prime Minister does which contrasts very highly with other countries is turning concepts into reality. 'Remarks Katsuhiko Abe, Managing Director of Yamaichi Advisory Services (Malaysia) Sdn Bhd, 'This is the only country where the Prime Minister himself promotes the MSC. Intending investor companies are warmed by the government's support and the 10-year tax holiday.'

The Malaysian economy runs on one extremely simple policy - infrastructure attracts investment. Investment attracts investment. One must invest in technology now as the future becomes more information technology (IT) based.

MSC will have many spin-offs. It is the tool Malaysia will use for the development of the services industries, expected to be all computer-based in the future. A question: how would the nation's financial futures and options market evolve without the MSC infrastructure? Put in the necessary infrastructure, the spokesman advises.

And the attraction for foreign participants? 'For an international company wishing to expand its operations geographically Malaysia looks well positioned,' the spokesman says. Politically, the country is very stable. The economy is running on electronics. It already has the electronics expertise. It has an ample pool of people.

'Most important of all, Malaysia has the political desire to see the project through,' he stresses. 'In some other country you will be uncertain if this is going to be implemented. There isn't the political will to do it.' A foreign company intending to set up in MSC will know the MSC will forge ahead. Already, the list of incoming investors is quite impressive.

Malaysia has got the best of both worlds. It has the stability of Europe but the costs of Asia. Malaysia is becoming highly competitive in terms of cost in the electronics industry, particularly against high-cost producers. It is catching up rapidly with its neighbours in exports. Its growth target also makes it very attractive for companies to come in.

Critical to the success of the MSC project is government commitment to allocation of sufficient resources such as land, facilities and infrastructure. By providing these, the government has given MSC a flying start right away.

The MSC comprises an area measuring 15km by 40km running south of the Kuala Lumpur City Centre (KLCC) to the Kuala Lumpur International Airport (KLIA) in Sepang and the nearby new Federal capital of Putra Jaya. It is expected to take off in March 1997 with the launch of the Multimedia University and the research and development centre of Japanese company Nippon Telegraph and Telephone. The KLCC, KLIA and Putra Jaya projects are currently under development.

Explains the spokesman, 'You have a very comprehensive blueprint as to what would actually happen - the twin towers, the new airport, the new government administration township, Putra Jaya - and it is a logical blueprint.'

It ties in with the administration requirements of the country. The MSC

will be used for the development of the country's computer network. Geographically it is well positioned, and the financial centre and commercial space are there. It is also cheap to operate in the MSC.

Commercial space in Kuala Lumpur is about 25-30% below the regional average costs.

The MSC project will have integrated communications and computer services, including computerised traffic control and other on-line services and information databases. According to Dr Mohamed Arif Nun, Chief Operating Officer of Multimedia Development Corporation (MDC), the entire MSC project would be serviced by an international communication pipe capable of transmitting at 20 gigabits per second, while fibre optic cables between buildings will have a 155 megabits (mbps) capacity.

Within buildings, the final coaxial cables to individual personal computers and other communication equipment like fax machines and telephones are expected to be capable of handling about 10mbps, thus allowing video conferencing.

This will be a quantum leap from the current situation where the international communications pipe used by MIMOS for its Jaring network link to global telephones lines handle up to 14.4 kilobits per second.

The estimated RM50 billion to RM100 billion cost of the entire MSC project, says Arif, includes the cost of developing the Petronas Twin Towers and the KLCC development, Putrajaya and KLIA.

According to Arif, the telecommunications infrastructure will be in place around September 1998 and later the same year the PM's Department complex at Putra Jaya which includes the Deputy Prime Minister's office and the Treasury should also be up and running. Putrajaya Holdings Sdn Bhd is handling the construction of the intelligent city of Putrajaya.

CyberJaya where MSC companies will be located will have 1.6 million square metres of office space to accommodate 60,000-80,000 employees. The city will have 30,000 housing units.

Mimos Bhd, Telekom Malaysia Bhd, US company, Sun Microsystems Pte Ltd and from Japan, Nippon Telegraph and Telephone Corporation, were given MSC status before the MSC guidelines were prepared as they are the corporations responsible for the development of the MSC. Sun Microsystem was the first private company to gain the status with a view to attracting more foreign participation to the MSC.

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