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PM-Information

INFORMATION AGE OFFERS TREMENDOUS NEW OPPORTUNITIES, SAYS PM

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LOS ANGELES, Jan 15 (Bernama) -- The Information Age has created conditions for the first time in history that will enable countries and companies to mutually enrich one another, Datuk Seri Dr Mahathir said today.

It is no longer a zero sum game with winners and losers and this is a tremendous opportunity for those companies and countries with the courage to embrace these changes, he told a conference for investors on the Multimedia Super Corridor (MSC).

In a wide-ranging address to high technology company leaders as well as students at the University of California at Los Angeles (UCLA) here, the Prime Minister said visionary countries could choose to create value rather than merely struggle to make the most out of existing circumstances.

Malaysia was offering the MSC as a gift to the world, the first place anywhere to bring together all the elements needed to create the kind of environment to engender the mutual enrichment being made possible.

He said as the world approached the 21st century, fantastic changes are taking place, making what was once impossible in the old economy of the Industrial Age suddenly possible in the Information Age.

"For practical purposes, borders have already disappeared because knowledge, capital, company activities and consumer preferences ignore lines on a map," Dr Mahathir said.

Where previously countries engaged in trade enjoyed surpluses or suffered deficits, in the future both countries could benefit because networks of companies collaborated across borders to deliver value to customers in the most economically sensible way, he said.

With the advent of the Information Age, there would be, for a limited time, a relatively level playing field where developed and developing countries could work together in ways that created benefits for both, he said.

"This is because many of the healthier developed countries are locked into obsolete industrial structures and legislative frameworks, and vested interests in these systems stubbornly oppose any changes," the Prime Minister said.

"Fortunately, these corporate interests have not had time to develop and become powerful in developing countries like Malaysia."

Dr Mahathir said he saw the MSC as a multicultural web of mutually dependent international and Malaysian companies collaborating to deliver new products and services across an economically vibrant Asia and the world.

"I fully expect that this 'web' will extend beyond Malaysia's borders and out across Malaysia's multicultural links to our neighbours," he said.

"Component manufacturing can then be done in China, on machines programmed from Japan, with software written in India and financing coming from Malaysia's Labuan Offshore International Financial Centre. The products may be assembled in Penang and shipped to global customers direct through our new airport."

He said Malaysian companies were already working with world-class international companies and technology transfer was taking place. Companies and neighbouring countries were benefiting as well because parts of the product were produced in other locations.

The consumers benefited most of all because they get top quality

products at the best possible price. In short, all parties touched by this "web" would benefit and were enriched through their contribution to it.

Dr Mahathir said phase one of the MSC would be complete when the MSC is home to hundreds of large and small companies working collaboratively with one another and with partners across the Asia Pacific region and the world.

He said he liked multimedia because the most successful companies were those which collaborated with many partners and truly transferred technology to them

-- not out of charity but out of collective self-interest.

These companies know they cannot stay at the leading edge if they try and do everything themselves and realise that a web of smaller companies working to common standards can deliver more benefits to the consumer.

"I hope to see some multicultural Malaysian companies alongside international companies, thus mutually strengthening the capabilities of both," the Prime Minister said.

Phase two of linking the MSC with other islands of excellence would be complete when the MSC becomes far more than a business development and be a global community living at the leading edge of the Information Society.

Phase three of leapfrogging all of Malaysia into the Information Age would be complete when the entire country was living and working in the new ways, he said, adding: "Of course when they get tired of all these new fangled things they can enjoy the pristine environment which we have preserved in Malaysia."

Dr Mahathir said that beyond Malaysia, the MSC would become a global bridge when its web was linked with those of other regions in the world, hopefully connecting the digital entertainment community in Hollywood and the high-tech companies in Silicon Valley.

"For example, storyboards can be developed in California and animation be executed in the MSC, electronically transmitted back to LA for editing, sent back to the MSC for colour-balancing, and then transmitted to the studio for final approval and distribution," he said.

"The breadth of what I am describing has probably never been attempted anywhere else in the world. You may be thinking 'Why Malaysia?'"

He gave four reasons in answering his own question: Malaysia's location at the centre of Asean and its unique multicultural links with the biggest Asian markets, its cost advantage compared with the "tigers" of the region, the newness of multimedia to Malaysia leaving it with no inherited systems or entrenched interests determined to defend their current positions and Malaysia's high commitment to making the MSC a success and its track record of meeting its commitments.

He also outlined to the audience the MSC's seven specific applications -- electronic government, national multipurpose smart card, smart-schools, research and development clusters, telemedicine, worldwide manufacturing webs and borderless market centres.

Over time, these flagship applications would generate a web of world-class and Malaysian companies collaborating to develop and deliver innovative products and services, he said.

He expected links would develop which would connect each of these webs into one large MSC web.

Dr Mahathir said these interlinked webs would allow Malaysia to achieve the goals of Vision 2020 by developing a strong services sector while helping to improve the productivity and quality of life in the nation.

"Equally important, the MSC will provide a platform to tie us together and celebrate our culture while helping to educate us in new and different ways," he said.

Dr Mahathir said Malaysia offered the international community the

perfect environment to try and find solutions to some tough questions whose answers must cross borders.

He said some of these questions were how value collaboratively created in several countries but sold in another would be taxed, how intellectual property rights could be defined and protected, how responsibility for the accuracy and integrity of information on the Internet could be ensured and how society could be protected from new forms of fraud, counterfeiting, piracy and viral attacks.

Malaysia, he said, was looking into the possibility of creating a new Cyber Court of Justice as an international centre to look into some of these areas.

He said Malaysia might sound very ambitious for a small country but reminded his audience that America too was a small country in the 19th century when England launched the Industrial Revolution.

However, America won the Industrial Revolution because the technology could be moved to an environment much more conducive to realising its full potential.

The Prime Minister said while he might be an optimist, he believed that this path to prosperity would be chosen over the alternative of hegemony and win-lose economic relationships.

"The globalisation and harmonising forces of the Information Age will prevent a clash of civilisations or the Century of Asia. It will create the World Century, the true Commonwealth of the World."

In a question-and-answer session following his speech, the Prime Minister said the government wanted to attract more companies to invest in the MSC "because small companies have the habit of growing big".

He said small companies can benefit from the MSC because their start-up cost is low and they have the opportunity to become world leaders.

He asserted Malaysia's policy of not censoring the Internet, and repeated his call to the world community to adopt a code of ethics for Internet users.

"The world doesn't want to see violence or pornography on the Internet, but we don't want censorship either because censorship is not effective."

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