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Manufacturing will not be neglected: Dr M

Hardev Kaur in Tokyo

TOKYO, Wed: Malaysia will not neglect "ordinary manufacturing" even as it aggressively promotes Information Technology (IT) and the Multimedia Super Corridor (MSC). In giving this assurance Prime Minister Datuk Seri Dr Mahathir Mohamad said manufacturing may instead be further assisted with IT and the MSC.

The new IT and multimedia industries will influence the old industries in the methods by which things are produced, manufactured and marketed. These new trends cannot be neglected and must be taken into account.

In moving into the IT and Multimedia fields, Malaysia is conforming with the "trends in the rest of the world". In addition, Malaysia has an even chance in this area. At this early stage in the development of IT and Multimedia, nobody really has so much of an advantage, that it would place them ahead leaving Malaysia behind.

The playing field in this area is "more or less level" and Malaysia feels that it can enter the Information Age together with other countries. Malaysia nevertheless needs input from people who are advanced in this area.

Dr Mahathir said he is aware that almost every country has projects similar to Malaysia's MSC but "most countries do not have the kind of environment that Malaysia will provide in the Corridor".

Speaking to Malaysian and Japanese businessmen here, the Prime Minister explained that the 15 by 50 km zone will offer special policies, laws and opportunities for companies to conduct tests and trials.

Special laws are being enacted for application in the MSC. In fact, two bills aimed at guiding the nation into the IT age have already been tabled in Parliament. They are: The Computer Crimes Bill 1997 and the Digital Signature Bill 1997.

The Digital Signature Bill seeks to provide for, and regulate the use of digital signatures. Among others, the bill when it becomes law, will make digital signatures as legally binding as handwritten ones or thumbprints. The Computer Crimes Bill lists the offences relating to the misuse of computers.

Multimedia also introduces a new factor into international business as with the "borderless world" countries can no longer isolate themselves from what is happening elsewhere.

For example, it cannot stop information from coming into the country through satellites and microwaves. Nations will lose a little of their independence but to exist as nations, countries will have to protect their own interests.

Dr Mahathir admitted that the very strong economies can take advantage of IT and exert an influence over the smaller countries. The smaller countries could in fact be "swallowed up" by the larger, more powerful ones.

There may possibly be a world dominated by a dozen or so very powerful countries who control telecommunications, the financial world and other economic activities including transportation.

Citing an example, Dr Mahathir said Malaysian banks are small while the banks in the US are larger and with mergers are becoming even larger. The small Malaysian banks do not stand a chance in open competition with these giant banks.

However, Malaysia, Dr Mahathir feels, stands a chance with IT and the

MSC. It can participate in the shaping of future commerce based on Information and tap the knowledge, knowhow and capital of international companies.

With the MSC, Malaysia will offer the world community a test bed. It will be open to everyone. During the delegation meeting later in the evening, Dr Mahathir invited Japanese companies to participate in the MSC. Their participation could be in any area including research and development and human resource development through training in the multimedia university.

According to Foreign Minister Datuk Abdullah Ahmad Badawi, Japanese Prime Minister Ryutaro Hashimoto responded positively, adding that he would want to hold discussions with Japanese IT experts to identify the areas for participation.

Hashimoto commended Dr Mahathir for an idea he described as "futuristic". The Japanese private sector meanwhile, sees new opportunities for investment in Malaysia with the MSC.

Among the applications being planned are telemedicine, smart card and a paperless government. Dr Mahathir said that if it works, the world may want to adopt it.

Other facilities will also be made available to those setting up shop in the MSC including more incentives, better telecommunciations faciliteis and better rates. Telekom Malaysia has been appointed to work on the telecomunciations facilities required for the MSC and it will be accommodating in terms of facilities and charges.

In reply to a question from a Japanese businessman, Dr Mahathir said there is merit in working together adding that Malaysia is not developing the MSC in isolation.

The idea is to link with other similar projects in this boarderless world. Malaysia intends to link-up with other centres in Singapore, Japan, Europe and the US. The Prime Minister said "this is to let others know what we are doing and at the same time we would like to know what they are doing".

"Problems will arise and since the concept is new there are many ideas as to how we should proceed and if we try to keep everything to ourselves then we will lose out in many things."

A Japanese businessman had asked Dr Mahathir to apply pressure on the Japanese Government to ensure that a project similar to the MSC in Okinawa gets off the ground. The businessman had pointed out that the Japanese leaders were not as dynamic as Dr Mahathir. The Prime Minister replied that he will not apply pressure on the Japanese Government but would read the paper on "The Concept of Establishing The Multimedia Special District - Setting Okinawa as a Special District".

During the delegation meeting which lasted about 90 minutes, Malaysia's persistent trade deficit with Japan was also raised. Hashimoto however said that the officials are still discussing and looking into the statistics.

The Japanese statistics on bilateral trade and Malaysian statistics differ. This could be due to the imports and exports of goods and services through Singapore.

A joint task force powered by the respective Ministries of International Trade and Industry (Miti) was set up to redress the imbalances following Hashimoto's visit to Malaysia in January this year.

The task force is still looking into the various issues and will then identify approaches as well as bilateral initiatives which can be undertaken by the two governments and private sectors to balance the trade.

Malaysia's trade deficit with Japan has been a cause for concern. For

the whole of last year the deficit was RM22 billion, slightly lower than the RM29.5 billion deficit in 1995. The depreciation of the yen was among the reasons for the difference.

Abdullah said issues relating to the World Trade Organisation (WTO), Asean and the admission of Myanmar into the grouping, the coming Group of Seven (G-7) meeting and the conditionalities imposed by the World Bank were also raised during the delegation meeting.

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