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MSC: Emerging capital market force

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BASED on overwhelming response by all segments of society - professional entities, business fraternities and the public - to the Second Multimedia Asia 1997 conference-cum-exhibition which ended last Friday, it is evident that the Multimedia Super Corridor is taking shape in determined fashion.

Prime Minister Datuk Seri Dr Mahathir Mohamad, the country's "chief salesman" of the MSC concept, has gone a step further to visualise the establishment of a "Virtual Commonwealth of Nations".

True to the spirit of equality and smart partnerships, he stressed that the virtual forum will be a venue where the international community can sit down to formulate a new global framework for information-age governance and nurturing a global civil society.

"The MSC is, therefore, our gift to the world, a creation that would welcome the participation of the global community in sharing the useful lessons of multimedia development.

"We would like to invite the world community to join us to shape a common future together. We invite collaboration instead of confrontation, enrichment instead of exploitation, sharing instead of grabbing.

"The world, figuratively speaking, is shrinking rapidly. Multimedia and networking technologies will, through videophony and videoconferencing, put people from around the world in face-to-face contact.

"Multiculturalism will be the way of life in the future. We need to make adjustments so that our closeness will not result in our stepping on each other's toes too frequently," said Dr Mahathir in his opening address at the four-day event.

Even if profitability is to be used as a yardstick to forecast the achievement of the Malaysian initiative, the MSC will not be a letdown, but may even emerge a strong contender in the capital market.

Energy, Telecommunications and Posts Minister Datuk Leo Moggie, who had been following progress of the two-in-one event closely, announced that the 44 companies which have been granted MSC status are capable of bringing in capital investments totalling RM3 billion over the next five years.

These companies, which are among the 120 who had applied for the status, are also expected to generate revenue worth RM10 billion during the same period.

In terms of involvement, there is also a clear sign that more Malaysian-owned companies are keen to participate in the MSC.

As of last Thursday, Malaysian companies made up 36.36 per cent or 16 out of the 44 approved applicants for MSC status, while another 10 or 22.73 per cent are participating on a joint-venture basis.

Multimedia Development Corporation director of client services Dr Muhammad Ghazie Ismail, who was a panelist during the Multimedia Asia 1997, said a majority of the MSC companies were either involved in content or software development, or they were in the support services.

"There is a good balance between local and foreign companies. Local companies are coming forward to join us in a big way," he said, stressing that the skilled manpower issue would not surface if local companies continue to assert their presence in full force.

"Content creation and software development will fuel the formulation of new service-led industries," he added.

The response to the MSC status thus far, has exceeded MDC's expectation

of 50 companies to be granted the status by end of this year. Among companies which have been granted that status are Mimos Bhd, Telekom Malaysia Bhd and Sun Microsystems.

Needless to say, since Dr Mahathir spearheaded Malaysia's entry into the cyber gateway one year ago, several significant ground-breaking events had taken place.

In January this year, the first MSC International Advisory Panel meeting, a panel made up of CEOs from leading IT companies around the world was held.

In May, the foundation stone for Cyberjaya, the MSC dedicated intelligent city for multimedia companies, was laid.

In the same month, four cyberlaws were tabled and passed by the Parliament. A company with MSC status is entitled to privileges under the MSC Bill of Guarantees.

Among others, the Bill ensures the company will have access to world-class physical and information infrastructure, unrestricted employment of workforce and freedom of ownership.

Two months later, MDC began issuing the Concept Request for Proposals (CRFPs) for bids by private companies to spearhead four of the seven flagship applications which include electronic government, smart schools, telemedicine and multi-purpose cards.

In addition, anchor projects for the MSC, namely Putrajaya - the smart new administrative capital - and the Kuala Lumpur International Airport in Sepang, are also progressing well.

MDC, which was created last year as a one-stop agency to handle companies involved in the MSC, together with 10 other companies, are expected to move to the corridor by year-end or early next year.

The 15-km by 50-km high-tech zone stretches from Kuala Lumpur to KLIA and includes Cyberjaya and Putrajaya.

Meanwhile, response to the Concept Request For Proposals for four of the seven MSC flagship applications project has also been very encouraging.

To date, more than 4,800 companies and individuals have acquired CRFPs through the relevant agencies or down-loading from the Internet.

The four applications, identified as the Multimedia Development Flagship, are e-government, multipurpose card, smart schools and telemedicine.

The other three - borderless marketing, research and development cluster and worldwide manufacturing web - are categorised under the Multimedia Environment Flagship Applications.

The highest response for CRFPs was in e-government, where 349 CRFPs were purchased from the Malaysian Administrative Modernisation and Manpower Planning Unit, while 1,107 others were downloaded through the Internet.

This was followed by CRFPs for smart schools where a total of 1,342 documents were acquired from the Education Ministry and through the Internet.

For telemedicine 1,087 CRFPs had been acquired from the Health Ministry and Internet, while 917 CRFPs for multi-purpose card applications had been obtained from Bank Negara Malaysia and the Internet.

There are five CRFPs for e-government, five for smart schools, four for telemedicine and one for the multipurpose card.

The relevant agencies are expected to shortlist the proposals from companies by October. Announcements on the successful consortiums will be made within the first quarter of next year.

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