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MSC DRAWING MIXED REACTION IN THE US

By: Salmy Hashim

WASHINGTON, June 12 (Bernama)--The marketing blitz of Malaysia's Multimedia Super Corridor (MSC) is triggering interests in the multi-billion dollar project and drawing mixed reaction in the United States.

The giant project which will launch Malaysia into the cyber future is frequently brought up in regional economic reports, major seminars and forums, and by leading American media.

The Wall Street Journal in a front-page article on Tuesday dubs the high-tech corridor as "Silicon Valley East" which could drive Malaysia into the information age.

"Although the plan remains a bit fuzzy, Malaysians emphasize that the corridor won't be just a big industrial park where Western companies can manufacture today's products for export. In some ways it is an effort to replicate Silicon Valley from scratch," says WSJ.

A new Multimedia University will be built, billed as a Stanford-like intellectual hub. Around it will be research laboratories of big foreign companies lured by tax breaks and aggressive marketing by Prime Minister Datuk Seri Dr. Mahathir Mohamad himself, it adds.

Although the Malaysian government is eager to get "anchor" tenants, especially big names, many companies are mulling all the uncertainties before committing themselves.

"The Japanese will make six visits and keep asking the same questions over and over," Norsaidatul Akmar, the MDC's manager of strategy told WSJ. She says some Japanese want discounts on land prices; the government won't budge. Others are concerned about protection of intellectual property.

"All this is clearly bold and risky," says the influential financial paper, which describes Malaysia as a developing country where little has changed in the villages for decades.

"The nation lacks a strong high-tech base and is chronically short of high-tech professionals. In view of the 16-hour power blackout that hit the entire Malaysian peninsula just last year, the infrastructure seems somewhat fragile for state-of-the-art multimedia," it points out.

WSJ adds that the field of multimedia has plenty of blind alleys: Making money from Internet services is notoriously elusive. Interactive-video services have repeatedly stumbled; a recent example is the failure of Time Warner Inc.'s interactive-TV experiment in Orlando, Fla.

And Japanese companies wasted huge sums on high-definition television, which was overtaken by newer technology - as Malaysia's multimedia corridor could eventually be.

However, William Miller, an adviser to Dr. Mahathir and a professor of computer science at Stanford University is more bullish, saying that Malaysians will accomplish a lot. "They certainly won't get everything done, but I think they will get a lot done."

In Connecticut, large and medium-sized high-tech companies are showing strong interests in the MSC. The state has identified Malaysia as one of the eight emerging markets where business opportunities seem most significant.

Meanwhile, the Pacific Economic Outlook report, produced recently by the Pacific Economic Cooperation Council anticipates new opportunities in the information technology industries with the creation of the corridor.

In Burbank, California, US filmmakers, multimedia companies, cable television firms and cinema chains, who attended a seminar on entertainment and the media sponsored by the Asia Society, see enormous opportunities in Asia, the Journal of Commerce says on Monday.

The financial paper says Hollywood is focusing on Asia because the numbers there are so promising. Economic growth in Asia is more than twice that of the West, and by the year 2000 the gross regional product will be on par with that of North America or Europe. In the next 25 years, seven of the world's 10 largest economies will be in Asia.

Malaysian Information Minister, Datuk Mohamed Rahmat who spoke at the seminar last week says, until recently, Asia's growing middle-class depended on the West for much of its multimedia entertainment because Hollywood and its European equivalents were more innovative.

"The economic successes of Asia, and the acute awareness that the region will undoubtedly be the engine driving world businesses in the 21st century, has given rise to a new Asian consciousness offers great opportunities for US film producers, cable television companies and cinema operators who are willing to team up with Asian firms.

The paper also sees opportunities for US multimedia companies in Malaysia's MSC.

On the MSC, Mohamed says, " We have provided the grand design, the environment and the facilities. What we need now is for world-renowned educators, musicians, animators, filmmakers, graphics and special effects experts, knowledge workers and CEOs to breathe life and soul into this high-tech endeavour." --BERNAMA

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