

25/04/1997

Package will be specific to MSC for now, says PM

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THE exemption with regards to the 30 per cent Bumiputera equity participation requirement will not be extended outside the Multimedia Super Corridor (MSC) until the Government has had the opportunity to see the results of its efforts to attract investors and skilled manpower into the area.

The same goes for other concessions offered specially to the MSC companies, Prime Minister Datuk Seri Dr Mahathir Mohamad said.

"Whether we will make the same concessions for the whole country depends on what happens in the MSC and how well they relate to the policies of the country," he told reporters after a briefing on the National Information Technology (IT) Agenda in Kuala Lumpur yesterday.

Dr Mahathir was asked by a foreign journalist whether MSC concessions such as the exemption on Bumiputera equity participation would be extended to companies beyond the Corridor.

The Prime Minister also said the MSC will not result in a one-country, two-systems scenario, and instead likened it to a free trade zone.

"It is not one country, two systems, a la China and Hong Kong, or China with Taiwan. It is still the same country but we are giving special concessions for this area."

Malaysians, said Dr Mahathir, have risen to the challenges brought about by the country's intensified approach towards IT.

"They have reacted intelligently, for example, to things like teleconferencing and have come up with questions that are very relevant... they appreciate that there will be changes in the way they live, think and in their perception of things.

"We have made a very early start. There will be more changes in the future, some of which are beyond our control. We have to accept and make the best of it, for example, the fact that information does not have any respect for borders."

Dr Mahathir said there is a limit to what can be done to filter information flow and how this situation is managed will be one of the tests of the MSC.

"At some stage, the countries of the world will have to work out how international laws can be introduced to govern what is transmitted through the media, because nobody, not any country, wants to have children corrupted and it is very simple to corrupt children through the kind of information that can be transmitted.

"Things are changing and Malaysia wants to keep up with these changes."

Dr Mahathir also said he was not concerned that Malaysia's neighbours might see the MSC as an obstacle to their own efforts to attract IT investments, or that the project had started a regional IT race.

"We do not intend to obstruct anyone, but we have the right to attract as much investment as possible. We are not interested in racing with anybody. We are interested in doing things for Malaysia, to keep up with the rest of the world."

To date, 24 companies have committed to set up their research and development facilities in the MSC, while another five are planning to do so.

The 24 companies are Fujitsu, DHL, Mitsubishi, NCR, NEC, British Telecom, Reuters, Nortel, NTT, Siemens, Sumitomo, Sun Microsystems, Sharp, HCL, Sapura, Aims Worldwide, PNB, TV3, Mimos, Telekom Malaysia, Alam

Technocrat, IOI Multimedia, CSA and Renong Solutions.

Mooted in 1994, the MSC has become one of the top IT investor destinations, ahead even of Singapore, following promotion drives abroad, according to Multimedia Development Corp executive chairman Tan Sri Othman Yeop Abdullah.

Othman stressed that the MSC is more than just a technology park as its wide range of features combine to provide a total package to IT investors. Part of the strategy will be to develop Malaysian companies to interface with the foreign companies, he added.

Dr Mahathir said the MSC will provide Malaysia with a good opportunity to see how IT can be tapped to its fullest to develop the country.

"The MSC is one giant testbed for the IT link and in it will be found all the things we think will be required for a future modern society; a society that is based largely on access to information by everyone."

The area, he said, will be provided with all the necessary policies, practices, laws and physical infrastructure related to IT, the functions of the Government, and facilities for research and development and education.

"It will be a centre for the whole world, not just for Malaysia. It is a place where all the companies involved in IT will have the opportunity to test out in real life all the things they develop that are relevant to an IT age."

The National IT Agenda, themed "turning ripples into tidal waves", was first unveiled by Dr Mahathir last year.

It addresses issues related to the role of IT in the nation's drive towards realising its aspirations of becoming an industrialised country by the year 2020.

Meanwhile, the National IT Council (NITC) has launched the Demonstrator Applications Programme as a key initiative to promote IT development in the country.

Demonstrator applications are small, focused and short-term projects aimed at creating, developing and promoting new IT and multimedia applications.

They will be bottom-up driven applications which will be localised and customised in terms of language and cultural relevancy to the Malaysian society.

The NITC will be hosting the Multimedia Asia 1997 conference and exhibition on September 16-19, an annual international dialogue to evaluate the progress of the MSC project and the National IT Agenda.

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