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PM's visit to US triggers excitement

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IN Malaysia, it is easy to know when a major business deal is afoot - the stockbrokers go on overdrive trying to out-guess each other who and what is involved in this deal.

Going by this criterion, the futuristic Multimedia Super Corridor project has finally grabbed the attention of local and foreign stockbrokers who have been scrambling around this week trying to find out which listed firms are about to make loads of money from the MSC project.

The trigger for all this excitement was the working visit by Prime Minister Datuk Seri Dr Mahathir Mohamad this week to California, which culminated in the first meeting of the MSC's International Advisory Panel.

With this meeting, the MSC project suddenly ceased to be a pipe-dream and crossed the line to become a perceivable reality that spelt megabucks for many who are willing and daring enough to exploit the offered opportunities.

The question now is who will be among these lucky lot?

The same question has shot around the world at the speed of electrons from the start of the New Year as news spread of many leading figures and organisations in the information age agreeing to be part of the MSC advisory panel.

While the 30 initial members may not necessarily all be in the position to tap the financial potential of the MSC project, they are all well-respected in their fields that the opinions will be eagerly awaited by many who can.

Take Alvin Toffler, guru of the realistic future outlook movement, who has undoubtedly lent much credibility to the MSC project such that many investors from around the world will now look to Malaysia seriously.

The show of support by the US Government is also clear, as attested to by the presence of Ambassador Diana Lady Dougan, who is also senior adviser to the Centre for Strategic and International Studies.

The bulk of the members are clearly in a position to gain handsomely from the MSC project as they have businesses involving computers, software and the global computer network Internet.

However, the primary responsibility of the IAP members is only to provide advice and counsel to the Prime Minister and the Malaysian Government on strategic issues related to the MSC.

The actual ventures and related capital gains and profits to be made will come from elsewhere, and this is where most of the attention is expected to be focused over the next few days.

For one, Dr Mahathir's next stop is Japan to give a series of briefings on the MSC project. And, it is a well-known fact that Asians tend to move faster when presented with an opportunity.

So, does this mean Malaysia can this year expect to see a massive influx of capital from East Asia - including South Korea, Taiwan and Hong Kong - on high-tech ventures relating to the MSC project?

And, will this also mean that much of these funds will be parked on the Kuala Lumpur Stock Exchange while the ventures take form before operations start?

The answer is undoubtedly yes - at least from the viewpoint of many stockbrokers who have been groping for possible windfalls from the MSC project this week.

Given that there has been only one major contract awarded so far for the

MSC project - to Telekom Malaysia Bhd to design and install the telecommunications infrastructure - the downtrend in the utility's share prices this week must have been disappointing.

But, as with the Bakun dam project, the stock market is not interested in events that have already taken place. It is more of a projection of things to come, locking in the gains into the share prices long before the anticipated event comes to pass.

In this context, the MSC project surely could become a major factor to drive up the shares of many listed firms will undoubtedly be contributing to the development of the MSC project.

Foremost among these must surely be Tongkah Holdings Bhd, judging by 70 per cent-owned subsidiary THB Asia Connect Sdn Bhd's lead role in PenangNet, which is due for an operational launch on Jan 29.

PenangNet is significant as it will be the first tangible service/product that will give users a feel of what the MSC project will eventually become.

Another counter to reap the spin-off from the MSC project will be Technology Resources Industries Bhd, as its wholly-owned subsidiary Cellular Communications Network (Malaysia) Sdn Bhd is undertaking a similar project in Negri Sembilan.

As for other counters, their immediate gains are apparent even if no specific contract seems to be forthcoming just yet.

The two listed firms that have already attracted the attention of punters are MCSB Systems (M) Bhd and Dataprep Holdings Bhd, which saw their share prices rising dramatically last year.

Undoubtedly, there are more to come and the most apparent ones are Fujitsu Systems Business (Malaysia) Bhd, Lityan Holdings Bhd, Sapura Telecommunications Bhd, Uniphone Telecommunications Bhd and Renong Bhd.

The business community is such that listed firms are not the only way to participate in a profitable concern, and a new set of joint ventures will no doubt be signed over the next few months between foreign and local partners.

In this aspect, the first steps had already been taken in the much-publicised signing of six such agreements and two memorandums of understanding in California this week in the presence of Dr Mahathir.

Arab-Malaysian Corporation Bhd signed with Los Angeles-based Media SuperCollider Inc for ventures into developing games and multi-user content for the Internet.

KUB IT Sdn Bhd tied up with Science Applications International Corporation to jointly pursue business opportunities related to broad areas of information technology and systems integration.

The other agreements were between CommerceNet and Open Market Inc, Barn Technologies Sdn Bhd with Silicon Graphics Malaysia, Utusan PNMB On/Line Sdn Bhd with Excalibur Technologies, and Cambro Technology (M) Sdn Bhd with Oracle.

The two MoUs were signed between Infra Kekal and Todd-AO Studios and Quantum Parallel Sdn Bhd with Thomson Sun Interactive.

Given this impetus, a number of other local firms will be tying up with foreign investors for more ventures relating to the MSC.

And, like aura surrounding the Bakun dam project, any such proposed ventures involving listed firms will undoubtedly attract strong interest among investors.

This in turn will continue to fuel the considerable attention that has already been churned up for the MSC project, and attract even more interest among the foreign business community so as to set up business here.

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