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PM: No protection for `small' firms in MSC

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LONDON, Wed: The Government will not provide any protection to "small" companies located in the Multimedia Super Corridor (MSC) because if it does, the big companies will not participate in the project.

As the project is open to all, Malaysia wants to attract all those interested. Nevertheless, Prime Minister Datuk Seri Dr Mahathir Mohamad said a number of large multinationals and high-technology companies today started as small companies in garages.

At the same time, the Government is not insisting that companies locating their operations in the MSC share their technology. The "unique test bed" is being created for all multimedia and computer technology from around the world.

Dr Mahathir said Malaysia has not faced any problem with those in possession of the technologies and even in the past there has been cooperation from various parties and developed countries, including Japan.

"It is a question of how you approach these people. Sometimes persuasion will help and at other times, mild arm-twisting. You have to be quite skillful," he said in reply to a question during the seminar to promote the MSC at the Imperial College here.

Asked about the response and competition to the MSC from Asean, Dr Mahathir said almost every country in South-East Asia is interested in the latest development for information technology and every country will have made some progress.

However, he told the audience that Malaysia, with the MSC, is not contesting against anyone and reiterated that the country will like to cooperate with them. "We think there is merit in working together. There are so many new things that need to be done. And in talking about a borderless world you cannot confine anything to yourself."

Thus, the Prime Minister said, issues relating to IT and the borderless world are being proposed for the Asean leaders during their summit in Kuala Lumpur later this year "so that we can find out whether we can cooperate with each other".

More than 1,000 participants attended the seminar from various countries in Europe including Germany, France, Sweden and even from Hong Kong. Dr Mahathir also fielded questions from participants in Cardiff, Wales via a live link-up.

This is the third such seminar on the MSC - the first two were on the West Coast of US and Japan. There will be another one on the East Coast of the US where considerable interest has been generated in the MSC.

Participants were impressed with the project and among others described it as breaking new ground and moving into unchartered territory, the best and the boldest project. A participant said he was "extremely envious of Malaysia and its Vision 2020" while a German participant said with Malaysia moving ahead and with its plans there "is a danger that in 10 years you may have to provide assistance to Germany".

Questions from the participants ranged from cyberlaws, how and what countries and universities can do to participate and assist in the MSC, Malaysia's efforts in environment protection, the MSC's implementation schedule, education and training, contracts and projects in the pipeline, role of venture capital and Vision 2020.

Later at a press conference, an Australian journalist wanted to know whether Malaysia's policy of "prosper-thy-neighbour" extended to

Australia. Dr Mahathir replied: "There is a big role for Australia, Australia should try to prosper Malaysia."

Explaining the policy, the Prime Minister said, "We believe in everybody becoming prosperous adding that there is no benefit having poor neighbours or poor countries in the world even if they are not your neighbours."

Citing an example, Dr Mahathir said when Vietnam was poor, Malaysia had a lot of boat people. Today, all of them have been sent back, even those who were not acceptable to Australia, New Zealand and other countries as there are now opportunities back in Vietnam.

This, he said, is a good example of how prosperity reduced problems for Malaysia as Vietnam's neighbour. Today, Malaysia is investing in Vietnam, Cambodia and Laos and - amid laughter - Dr Mahathir said, "also in Australia and we are trying to help Australia prosper".

Asked about power shortages and blackouts in Malaysia and other infrastructure problems and on assurance that this will not happen at MSC, the Prime Minister bluntly said: "No one can guarantee that there will be no power cuts but we will certainly try our best," adding that, "We have done our best in the last few years".

Power generating capacity has been more than doubled from 5,000MW to almost 12,000MW in just five years and "that is the commitment to the investors of the service that we offer". Dr Mahathir said there was a blackout once when he was in New York. "I am quite sure that they are very well advanced but still have blackouts."

In Malaysia, there is also good water supply and all the other necessary infrastructure is in place. Nevertheless, new ports, airports, roads and railway links are being put up.

On Telekom Malaysia's "monopoly" for telecommunication services in the MSC, Dr Malaysia said it will provide the backbone but other value-added services and additional services will be provided by other operators and companies.

"Thus, it will not be a true monopoly ... But obviously there must be some way of persuading Telekom to spend so much money. If we ask them to spend RM1 billion and then let others come in and do the same thing, than no one will come forward. Right now it is good to have that kind of approach."

The Prime Minister said future competition is anticipated and this is something that cannot be avoided. "But we will have to learn how to handle it. We do not really know how to handle it at the moment.

"In the process, people are going to be hurt by the competition and I think they will have to reach some kind of agreement so that everybody will have a role."

On the multimedia university, he said that while Telekom Malaysia has been asked to set it up, it does not restrict or eliminate others from providing education in multimedia. Any company or corporation or group of companies are welcome to set up universities in the MSC and Malaysia will provide the necessary environment and all the basic infrastructure.

In addition, the faculties in the Telekom University can be started by anybody. In fact, Dr Mahathir said the Japanese have shown interest to start a faculty to train their own people. This is because within Japan there are many regulations regarding education and they find it difficult to set it up in Japan and would like to set up in Malaysia and they can teach in Japanese if they want to.

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