

12/10/1997

Ringgit crisis fails to dampen outlook on MSC's potential

Francis C. Nantha

THE recent flurry of events related to the Multimedia Super Corridor project is a clear indication of the resolute commitment of the Government to this national initiative.

Despite the currency crisis, which led to mega projects like the Bakun hydroelectric dam and the new international airport off Kedah being postponed, MSC-related events and projects proceeded as scheduled.

Last month, the MSC showcase exhibition Multimedia Asia was held as scheduled with overwhelming participation from the private and public sectors.

Speakers, both local and foreign, were very optimistic in their outlook despite the depreciation of the ringgit and other regional currencies - resulting in higher costs for the various equipment needed for the MSC.

And their positive views seems to have some merit, judging from how the ringgit sharply regained lost ground over last week to close at RM3.06 against the US dollar on Friday.

Another landmark event in past weeks was the physical moving in by the MSC co-ordinating body, Multimedia Development Corporation Sdn Bhd, to its temporary premises within the MSC area.

This move served to highlight the fact that the project is actually well into its second phase.

Some of the major investments for the project have already been completed, including the Menara Kuala Lumpur and the Petronas Twin Towers - which mark the northernmost point of the 15km by 50km corridor.

The southernmost point of the corridor, namely the KL International Airport at Sepang, is also almost completed and is expected to be operational early next year.

The focus now is on developing the inner parts of this corridor, which includes the new Federal administrative centre Putrajaya and the MSC firms' operational base Cyberjaya.

Again, despite misgivings about the large expenses involved against the backdrop of the depreciating ringgit, Prime Minister Datuk Seri Dr Mahathir Mohamad launched both Cyberjaya and Putrajaya in the past few weeks.

It is easy to see why such projects need to be given the highest priority, as they represent the nation's foundation for economic growth in the near future as we move towards an information and services-based economy.

The present manufacturing-based economy can only grow so much and the overall nation's growth cannot be sustained by the manufacturing sector alone - a fact that has been proven when the nation shifted away from an agrarian economy.

Even as the issue of funds seems to be side-stepped in the efforts to remain focused on the MSC project and its implications, the special capital market which will fund many of the MSC firms was launched as scheduled.

Deputy Prime Minister Datuk Seri Anwar Ibrahim launched the Malaysian Exchange of Securities Dealing Automated Quotation last Monday.

During the launch, he said activities on the market would begin before the meeting of MSC's International Advisory Panel in Kuala Lumpur in February.

"This would be fitting since one of Mesdaq's main objectives is to

provide the capital market support in the development of the MSC," he said.

Anwar also said the exchange is poised to play a strategic role in the development of the economy, given the determination to promote high technology and skill-intensive industries.

"This new equity market will provide high technology-based companies as well as other small and medium-size enterprises with an inexpensive means of raising capital."

Another equally important aspect that needs to be addressed is that of regulations, many of which have already been formulated with another set of cyberlaws set to be tabled in Parliament soon.

So far, cyberlaws already in place are the Digital Signature Act 1997, Computer Crimes Act 1997, Telemedicine Act 1997 and Copyright Amendment Act 1997 passed by Parliament in May.

Still, all these efforts would count for nothing if it were not for the participation of the private and government sectors in the project.

In this aspect, the promotional trips by Dr Mahathir and the MDC have paid off and to date, more than 50 companies, both Malaysian and foreign enterprises, have obtained MSC status.

This title confers on the the companies the right to a business presence in the MSC and to the attendant tax incentives and benefits.

More than 100 applications are currently being processed with many more pouring into the MDC every week. Participation in the MSC is balanced yet varied, ranging from large international IT players to the local SMEs, and from service providers to end services and product users.

As to the actual projects that are to be conducted within the MSC area, none has really taken off due to many waiting for a clear idea of what the flagship projects will entail.

Seven flagship applications have been identified to kick off the project. They are electronic government and public administration, telemedicine, Smart cards, Smart schools, research and development clusters, worldwide manufacturing webs and borderless marketing centres.

Concept Request for Proposals, drawn up by the MDC, private-sector representatives and leading IT agencies, were launched on July 26.

Once these concepts are crystalised and clear guidelines are drawn up as to their specifications, undoubtedly the MSC initiative will really take off by the target dates, with the first slated for 1999.

The writer can be contacted at nstbiz@bb.nstp.com.my

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