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Two firms show faith in MSC project by moving OHQ

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GIVEN the continuing turmoil in the currency and stock markets, it is indeed heartening to hear more good news streaming in from the nation's Multimedia Super Corridor initiative.

On Thursday, Multimedia Development Corporation Sdn Bhd executive chairman Tan Sri Othman Yeop Abdullah expressed clearly the continued determination of the Government to ensure that the MSC project takes off.

And such a resolve clearly shows the vision of our leaders in not giving in to quick fixes which could derail longer-term plans for the MSC.

Othman had even more good news to deliver. As at Oct 21, MDC had received 150 applications from companies for MSC status, 63 of which had been approved.

The projected capital investment of the 63 approved companies for their first year of operation is RM1.8 billion, and after the fifth year of operation it is RM2.6 billion.

On the income side, Othman said the normal business start-up pattern still applied with most projecting losses in the first year due to large capital investments made upfront.

Still, projected revenue in the first year of operation will be around RM689 million.

He said profit by the third year for the 63 companies was estimated to be RM641 million.

He also gave a rough breakdown on applications by country - of which it is heartening to hear that 35.3 per cent were local companies and another 26.6 per cent were joint ventures with foreigners.

Among the foreign interests, 11.3 per cent were European companies, 9.3 per cent were US companies, 4.6 per cent Japanese, 1.3 per cent Canadian, while four per cent were joint ventures among foreign companies.

Amidst this increasing interest in the MSC project among foreigners, it is also heartening to note that other players are moving their operations here to tap the spillover benefits.

Two firms which were participating in the Asia Cable Broadcast '97 exhibition and conference announced that they were moving their operational/regional headquarters to Kuala Lumpur from Singapore.

Hong Kong firm Pan Asian Systems Ltd, which is wholly-owned by the A. S. Watson trading group, is moving its OHQ from Singapore so as to be closer to its customers - many of which are taking up positions within the MSC area.

The company, which specialises in digital cable television transmission systems - including satellite broadcasts and receivers - sees a growing market in Malaysia for such systems.

The company had helped set up Singapore's sole cable television network and the largest cable television network in Thailand, and sales & marketing director Anthony Cheng said the experience could be easily applied in other emerging economies.

"Cable television as a concept in itself is quite new in Asia, with most such services being introduced only a few years ago. Our company saw the potential in this business and it has proven to be very profitable."

Since its establishment in 1991, Pan Asian Systems has grown to become a billion dollar corporation and provides its services to many countries outside Asia.

Another firm which has moved its OHQ to Kuala Lumpur is UK-based

broadcast electronic firm Snell & Wilcox.

It has incorporated a new firm Snell & Wilcox South East Asia Sdn Bhd, which will be responsible for the servicing of all Asean countries.

The new company is headed by managing director Fork Yow Wai, formerly of THB Asiacom Sdn Bhd and he sees a very positive outlook for spinoffs from the MSC project in Malaysia and the Southeast Asian region.

"The broadcast technology industry in the Asean region is expected to grow in the next five years fuelled by the transition from analogue to digital standards and the overall increase in new channels."

Snell & Wilcox Group chairman and chief executive officer Professor David Youlton said: "We chose to base this new venture in Malaysia for a number of reasons.

"There is the attraction of the new city of Putrajaya and all the high-tech new industries that it will bring.

"I am also very impressed with the entrepreneurial attitude of the Prime Minister Datuk Seri Dr Mahathir Mohamad and the way he is fighting to inspire this same spirit throughout the country."

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