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AIG joins MSC via joint venture with local firm

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THE American International Group Inc (AIG) yesterday became the first international financial institution to join the Multimedia Super Corridor (MSC) when it establishes an information technology venture with a local MSC-status company.

Its local partner is Software International Corp (M) Sdn Bhd, which is already operating in the MSC and enjoying the MSC status.

The new company, AIG Software International JV Sdn Bhd, will focus on maintaining and developing applications software, managing technical projects, recruiting personnel, research and development and data centre services.

Software International Corp chairman Datuk Alex Lee and AIG chairman Maurie R. Greenberg signed the agreement for the joint venture in Kuala Lumpur yesterday.

Prime Minister Datuk Seri Dr Mahathir Mohamad and US Ambassador to Malaysia John R. Malott witnessed the signing ceremony.

"We plan to use the joint venture for applications software development for our operations around the world as well as to maintain the information systems in our extensive Asian operations," Greenberg said.

In addition, AIG hopes to offer the joint venture's services to other companies operating within the MSC as well as to assist in the development of MSC infrastructure.

He also said there is a need for software skills, especially with the millennium bug problem and the shortage of skilled programmers, data processing engineers and system engineers to deal with it.

When asked how much capital is needed to start the venture, Greenberg said the joint venture company will not require much capital initially.

"As business grows, we will make available the capital. As for investments, AIG will set aside sufficient funds for the investment and it will also depend on the business," he said.

He however, declined to elaborate.

He said that although AIG's operations in Malaysia are not significant in terms of its contribution to the company's turnover, they are still important.

"We have been in the country for many years. This joint venture is not only for AIG but we hope to bring many clients of AIG here. We have confidence in the country and in the region," Greenberg said.

"Foreign companies should follow AIG in its investment in the MSC, which Malaysia is aggressively promoting. It also promises good investments for companies.

"I hope this ceremony marks the beginning of a very active foreign direct investment from the US in Malaysia, which of course, will help us recover from our present difficulties," he added.

When asked why he frequents Kuala Lumpur, Greenberg said that it is because AIG has a long history in Malaysia.

This is the third time Greenberg has been in Kuala Lumpur since January.

Lee said AIG will be a big boost for Software International Corp and the MSC.

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