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MSC'S DEVT NOT AFFECTED BY ECONOMIC DOWNTURN, SAYS MDC EXECUTIVE CHAIRMAN

KUALA LUMPUR, Jan 13 (Bernama) -- Multimedia Development Corporation Sdn Bhd's (MDC) executive chairman, Tan Sri Dr Othman Yeop Abdullah today said the current economic slowdown has not had a negative impact on the overall development of the Multimedia Super Corridor (MSC).

However, he conceded that the government's spending on information technology for this year would be scaled down.

He said the economic downturn had little impact on the MSC's progress, especially its flagship applications, when the rising trend of the investment inflows in those areas were taken into account.

So far, 101 companies which had been given MSC status, had confirmed their intention to undertake capital investments in the MSC, with many more on the application list, he told reporters in Cyberjaya near here.

He said investments from the MSC status companies would enable MDC to proceed with infrastructure development to generate economic spin-offs in the area.

Prime Minister Datuk Seri Dr Mahathir's call recently that the MSC is the next engine of growth, has augured well as even in the current (uncertain economic) situation, "investors have big investment plans in the MSC," he said.

"I say this because most of them (investors) realised that the MSC is genuinely attracting productive investment to capitalise productive activities," he said.

Dr Othman said a highly potential information technology (IT) and multimedia investment area like the MSC would continue to maintain the investors' already high confidence in Malaysia.

He also said that involvement by the local IT and multimedia-based small and medium-scale companies (SMEs) in the MSC will be increased following the RM1 billion in loans for the SMEs launched this year by Deputy Prime Minister Datuk Seri Anwar Ibrahim.

"As the MSC offers the critical ground for technology and knowledge-based activities which make up Malaysia's most productive sectors, I am confident that most IT and multimedia-based SMEs which had intention and had made plans to participate in the MSC, will take this opportunity to do so."

The MSC, he said could create new areas of economic activities that could generate confidence in the country's overall economy.

On the expected decline in IT's expenditure, Dr Othman said it was in support of the austerity drive.

"However, in the case of the MSC, there is no such revision at this point of time to the progress planning of the MSC, especially with regards to its flagship applications," he said.

Dr Othman also said that the 2nd MSC's International Advisory Panel (IAP) meeting will be held on Feb 12 and 13 at Cyberjaya. To be chaired by Dr Mahathir, the meeting will discuss and refer to specific issues and challenges faced by the MSC and its latest development.

"Since the inaugural IAP meeting held at Stanford University, in California, US on Jan 16, 1997, IAP membership has expanded from 29 to 41," he said, adding that the background of members had also diversified to cover other IT content providers and developers and internationally renowned technology venture capital companies.

For the 2nd meeting, 15 members and 15 companies' chief executive

officers (CEOs) have confirmed their participations while another eight companies want to send representatives as observers.

Among the participating members are Acer Incorporated's chairman and CEO Dr Stan Shih, Alcatel Alshtorm's chairman and CEO Serge Tchuruk, International University of Japan's Centre of Global Communications executive director Prof Shumpei Kumon, and Senior Advisor, Centre for Strategic and international Studies, US Ambassador Diana Lady Dougan.

The 2nd IAP meeting, will among others discuss the current development in the global multimedia environment, internet, and to review the MSC's direction, especially on its target underlined, whether it is achievable.

There will also be discussions on the worldwide labour shortage in the Multimedia and IT areas and whether it will have an impact on the MSC, the future of e-commerce, tax implications on e-commerce and social effects of the internet.

In conjunction with the 2nd IAP meeting, MDC will also organise an Implementation Council Meeting in Langkawi next week which will also be chaired by Dr Mahathir.

The MSC, a 15km by 50km area stretches from the Kuala Lumpur City Centre (KLCC) in the north to the KL International Airport (KLIA), Sepang in the South.

The MSC which would make the new federal administrative centre in Putrajaya an intelligent city would be a catalyst for IT development in the country.

This would be done through:

- +demonstrating the effectiveness of multimedia in increasing efficiency and productivity in the production and delivery of goods and services in both the public and private sectors;

- +creating supply and demand for the multimedia industry located in Malaysia for the world market; and

- +ensuring the installation pf appropriate technology to maximise the utilisation of the infrastructure available in the MSC, including the KLIA, Putrajaya, the transportation network and the electronic superhighway. --

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