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Higher value from info age business (HL)

A. Kadir Jasin in Hannover (Germany)

BARELY a year after its launching, the Multimedia Super Corridor has started to show the creation of value from the information age business, Prime Minister Datuk Seri Dr Mahathir Mohamad said yesterday.

Speaking at the MSC investors conference held at Hannover's CeBIT 98 trade fair, Dr Mahathir said statistics collected by the Multimedia Development Corporation showed increased investment in high value-added activities with revenue-to-investment ratio of approximately three to one.

CeBIT is reputed to be one of the world's largest and most up-to-date exhibitions on office automation, information technology and telecommunications.

The Prime Minister said for all the companies which had applied for the MSC status, the statistics projected their combined revenue by the fifth year of operations to be RM13 billion and profit of RM5 billion on the back of RM4 billion investment.

"There are also signs showing the formation of new services-based industry clusters, specifically in software development, content creation, animation and broadcasting, and telecommunications," he said.

MSC status had so far been accorded to 115 companies, out of which 84 are already in operation. Since last April, 180 applications for MSC status were received - 34 per cent from foreign companies, 43 per cent Malaysian and 23 per cent from joint ventures involving Malaysian and foreign partners. Twelve per cent of the applicants were from Europe.

Dr Mahathir said in phase two of the MSC project, the corridor would be linked to other Malaysian cities and cities around the world. Additionally, said the Prime Minister, based on the applications received, knowledge worker requirement by the fifth year would be in excess of 23,000.

As one of the measures to fulfil the manpower needs of the MSC, the Government, said Dr Mahathir, had extended the MSC status accreditation to institutions of higher learning.

Stressing that the Malaysian Government was always business-friendly and was accustomed to dealing with foreign investors, Dr Mahathir promised the participants that it would be even more friendly to the MSC investors.

For this reason, he said, the knowledge workers who fell within the category of special guests could get in and out of the corridor without hassle or delay through the issuance of multiple entry visas.

Other benefits and incentives include 100 per cent foreign ownership with unrestricted employment of knowledge workers from abroad, up to 10 years of tax holiday and no censorship of the Internet although it remains an offence to download and distribute certain undesirable illegal materials including pornography. Bureaucratic procedures will be reduced to the minimum, official requirements will be few and approvals for work permits expedited.

The MDC will act as the one-stop agency and the Government has dispensed with the traditional and often cumbersome tenders in favour of "concept proposals" to simplify development procedure.

Dr Mahathir also briefed the participants on the Cyberlaws and the protection of intellectual property, saying there was already sufficient legal framework in place to raise the comfort level of the would-be investors and to make Malaysia a regional leader in intellectual property protection.

The Prime Minister also assured MSC-status companies that they had direct access to him in his capacity as the chairman of the MSC Implementation Council and International Advisory Panel, and to the Deputy Prime Minister, Datuk Seri Anwar Ibrahim, who heads the Founders Council.

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