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MSC accelerated, not held back: PM (HL)

THE Multimedia Super Corridor (MSC) is proceeding as planned and is not affected by the current economic problems in the region, says Prime Minister Datuk Seri Dr Mahathir Mohamad.

"If there is any impact at all, it has in fact accelerated the project," he said at a press conference at the end of the first day of the two-day Second MSC International Advisory Panel (IAP) meeting in Cyberjaya yesterday.

IAP members who attended the meeting meanwhile affirmed their commitment to the project, with a number saying they will be making new investments, either on their own or in joint venture with MSC-status companies.

US-based Motorola Corp - which has been operating in Malaysia for the last 25 years - is expected to invest an initial US\$10-US\$15 million while Germany's Siemens AG will invest about US\$50 million in software development and education programmes over a 10-year period.

This is contrary to foreign reports claiming that companies were putting off investments in the MSC due to the currency problems in the region.

Dr Mahathir, when asked for his comments by a reporter, said: "Not that I know of. Do you have any information?"

The project is in fact one year ahead of schedule, he said.

The two-day meeting, which is attended by 13 of the 44 members, is a follow-up to the inaugural meeting held at the Stanford University, California, on January 16 1997.

The IAP, comprising global information technology-related industry leaders, is tasked with advising the Government on the development of the MSC, a 750 sq km multimedia products and services hub.

To date, 103 companies have been granted MSC status, with 80 already in operation.

Asked if any particular concerns were raised at the meeting, Dr Mahathir said some members were worried that the restrictions imposed by Malaysia on certain kinds of information might hinder the development of their ventures.

"We assured them that as far as the MSC is concerned, generally these restrictions do not apply. But we will see if they can be done away with or (if retained) modified," he said.

Members, according to Dr Mahathir, also wanted to know if some form of "protection" could be provided to nurture the development of the MSC-status companies.

"This is something which we are considering, even before this meeting. Because of the problems we face, a number of companies may have to fold... good companies... through no fault of theirs.

"They may be given some protection... a safety net... and also to cultivate creativity and entrepreneurial spirit," he said.

Details of the measures are not yet available as they are still being worked out by the experts, Dr Mahathir added.

Elaborating, Washington-based Centre for Strategic and International Studies' senior adviser, Ambassador Diana Lady Dougan noted that such a provision will be similar to the one adopted in the Silicon Valley where the focus is on encouraging creativity and entrepreneurship, and reducing aversion for failure, in view of the considerable risks involved in high-technology ventures.

Multimedia Development Corp executive chairman Tan Sri Dr Othman Yeop

Abdullah added that the "protection" will ensure that MSC companies which initially fail do not "completely disappear from the scene... but instead bounce back and learn from their failure."

Asked about the US push for free trade in e-commerce, Dr Mahathir said: "We are not in same class as the US... we cannot afford to forgo any opportunities to make money for the Government.

"We have to be as open as possible but at the same time we have to protect our national interests," he said.

On when he expects the Malaysian Exchange for Securities Dealing and Quotation (Mesdaq) to take off, Dr Mahathir said: "Probably in June".

As for other details, he said, "you have to ask the Finance Minister (and Deputy Prime Minister Datuk Seri Anwar Ibrahim)."

Mesdaq was initiated to ensure that new companies, especially information technology-related ones, have access to adequate funding.

The new exchange was originally scheduled to start operation in February but the opening date has since been postponed.