

20 MARCH 1998

Mahathir-MSc

MSC PHASE TWO WILL SEE LINKAGES TO OTHER CITIES, SAYS PM

By: Yong Soo Heong

HANNOVER, March 20 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad today said phase two of the Multimedia Super Corridor (MSC) project would see the corridor linked to other cities in Malaysia and around the world.

"By then we expect in excess of 250 companies within the MSC. By the year 2020, the entire country will be a Multimedia Super Corridor with a total of at least 12 intelligent cities linked to the global information super highway and thus becoming a link to all the other intelligent cities worldwide."

He, however, did not give a time frame as to when phase two will start.

Participation in the MSC in the year 2020 would have risen to about 500 world class enterprises, he told the MSC Investors Conference at the CeBit 98 fairground here.

CeBit 98 is the world's leading information technology and telecommunications industrial fair and the prime minister took the opportunity to promote the MSC initiative, particularly among German investors.

Dr Mahathir, who is on his sixth mission to promote the MSC initiative after visits to the Silicon Valley, Hollywood, the United Kingdom, Japan and Canada, told the potential investors that work on the MSC was already a year ahead of schedule and the "hard" infrastructure was being put into place on a fast track basis.

Physically, the MSC is a dedicated area for information technology and multimedia operations measuring 15 km by 50 km and runs from the Petronas Twin Towers to the new Kuala Lumpur International Airport in Sepang, 50km from the federal capital.

Response had been beyond expectations and 110 companies had been given MSC status accreditation out of which 84 were already in operation.

Since April last year, the Multimedia Development Corporation (MDC) which oversees the MSC project, had received 180 applications of which 43 per cent were from Malaysian companies, 23 per cent joint ventures between Malaysian and foreign firms and 34 per cent from foreign companies.

Twelve per cent of the applications from foreign firms were European.

From all the companies which had applied for MSC status, the combined revenue projected by the fifth year of operations was RM13 billion and a profit of RM5 billion on the back of an investment of RM4 billion.

An estimated 25,000 knowledge workers would also be needed by the fifth year of operation and MSC status accreditation had been extended to Malaysian institutions of higher learning to help fulfil the companies' need for human resources.

Dr Mahathir said the MSC would allow unrestricted employment of knowledge workers from abroad and those who are categorised as "special guests" will be issued with multiple entry visas so that they can get in and out of the MSC without hassle or delay.

The MSC would also allow 100 per cent foreign ownership of companies and provide generous incentives with up to 10 years of tax holiday.

And to allay fears on possible government intervention on the Internet, Dr Mahathir gave this assurance, "We will not censor the Internet...but of course, if you download, and distribute certain undesirable illegal material, pornography for example, you will be subjected to the usual laws of the country."

He also told the would-be investors that they would find that bureaucratic procedures would be reduced to a minimum and official requirements would be few and approvals expedited for work permit applications.

Dr Mahathir said the MSC would be a global hi-tech test-bed where new multimedia technologies could be spawned and tried out for the new age communications industry without any limitations.

He said: "We see the MSC as a place of enquiry and of intellectual curiosity. The concept is not new. The Cavendish Laboratory at Cambridge is just such an assembly of scientific intelligences. It has produced some of the world's greatest physicists.

"The MSC, being more business oriented, will be developing practical applications of the multimedia for commerce and to meet business and personal needs of the 21st century knowledge worker."

He stressed that the MSC was not just a physical location or just another industrial or technology park nor a Far Eastern imitation of the Silicon Valley.

"It represents a new paradigm in the creation of value for the Information Age," the prime minister said.

Saying that Germany was known for technological innovations and that the MSC was hoping to attract R&D operations, Dr Mahathir also said that Malaysia wanted to be part of the industry's worldwide endeavour to develop intelligent multimedia solutions to manage today's exploding range of information options.

"Hopefully when the world gets the next generation of hi-tech start-ups, Malaysia would be there," he added. -- BERNAMA

SHY rn