

05/11/1998

NTT seeks network project cooperation (HL)

Adeline Ong in Tokyo

TOKYO, Wed: Nippon Telegraph and Telephone Corp (NTT), the Japanese telecommunications giant, says it plans to develop a world-class network in cooperation with Malaysian operators.

"NTT intends to work together with (Malaysian) partners to provide multinational businesses with global telecommunications services linked to NTT's worldwide communications network," Mr Akio Hotta, president of NTT MSC Sdn Bhd, said in an interview with Business Times here.

"We will be working with local telecommunications operators to facilitate the development of world-class telecommunications infrastructure," he added.

Hotta declined to discuss details of the plans but said Malaysian telecommunications operators are good candidates as partners since they already have the infrastructure and market penetration.

Hotta disclosed NTT's plans just as Prime Minister Datuk Seri Dr Mahathir Mohamad reiterated in Kuala Lumpur on Tuesday Malaysia's commitment towards maximising the internationalisation of its communications sector.

NTT, which has a century of experience under its belt, is one of the international companies taking part in Malaysia's Multimedia Super Corridor (MSC) project. It set up NTT MSC, a wholly-owned subsidiary, last September, to spearhead its MSC venture.

Asked who NTT is currently talking to, Hotta went instead into NTT's existing partnerships, particularly with Telekom Malaysia Bhd.

"We already have a joint venture with Telekom on the systems integration side. NTT MSC will provide multimedia and intelligent systems development.

"They include construction and integration of local systems like Mega Net, a project currently undertaken by NTT MSC and Telekom," Hotta said.

Mega Net, an intelligent building system, is 70-per cent owned by Telekom and 30 per cent by NTT.

Apart from Mega Net, Hotta said NTT feels there are other opportunities to do business with Telekom.

Hotta said NTT is committed to continue to invest in Malaysia despite the economic downturn.

"We cannot say that the economic problems have not affected our activities. However, we think our business is basically long-term in nature and we strongly believe that the region is one of the areas of the future," he said.

Apart from setting up NTT MSC, the telecommunications giant also took up a 15-per cent stake in Cyberview, the company tasked with developing Cyberjaya, an intelligent city that will form the core of the MSC project.

On NTT MSC's research laboratory at Cyberjaya, Hotta said that it will be ready by next April.

"At the end of this year, the building will be completed and after that, state-of-the-art facilities will be installed. We can start work in Cyberjaya by April next year," he said.

Some RM60 million has been invested for the acquisition of land, and constructing as well as preparing the facilities.

NTT MSC's research and development (R and D) activities will focus on multimedia networks, multimedia application software and other related fields.

Eventually, NTT MSC will become NTT's R and D hub in Asia. In 1997, NTT

reinvested 4 per cent, or about 250 billion yen (RM1 = 30.66 yen), of its total revenue in R and D.

Hotta said he hopes NTT MSC will contribute significantly to the parent company.

"By the end of 2001, we want to break even. Of course in terms of profits we would like to contribute as much as we can," he said, adding that "having a presence in Malaysia in itself will contribute to NTT's business network."

As of March 1997, the NTT group has 177 subsidiaries and 75 affiliates.

It designs telecommunications services for governments and businesses, as well as educational systems. It is one of the harbingers of the Information Age.

As a sign of its commitment to the Asian region, NTT in June 1997 founded the Asian Multimedia Forum (AMF) with Asian telecommunications carriers. Since then, the AMF has launched 18 international multimedia trials and aims to jointly develop and promote multimedia applications and services in the Asia Pacific region.

For the year ended March 31 1998, NTT posted a non-consolidated operating revenue of 6.3 trillion yen, off a marginal 0.8 per cent from the previous year. Its net income was 176.6 billion yen, down 1.6 per cent.

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