

19 DEC 1998

MAHATHIR-SMEs

NUMBER OF SMES IN INFORMATION TECHNOLOGY UNIMPRESSIVE

CYBERJAYA, Dec 19 (Bernama) -- The number of small and medium scale enterprises (SMEs) in the information technology (IT) industry of Malaysia is still unimpressive compared with other countries of similar size, said Prime Minister Datuk Seri Dr Mahathir Mohamad today.

"Taiwan, whose size is comparable to Malaysia population-wise, has a large and vibrant IT-based SME sector while Ireland which is even smaller than Malaysia has a large SME sector involved in IT," he said at the topping-up ceremony for Nippon Telephone & Telegraph (NTT) MSC Centre, near here.

He said the critical local SME sector needs to become a vibrant creative force with the necessary critical mass in order to drive the Multimedia Super Corridor (MSC) initiative forward.

"IT is a kind of mystery. We don't have enough people going into this area. Once they realise its potential, then more would come in with ideas and products suitable for IT," he added.

Compared with foreign companies, he said local SMEs do not have much capital but they were blessed with lots of ideas.

Pursuant to the objective of developing a cluster of home-grown SMEs which can evolve into world class companies, Dr Mahathir said the government has started initiatives which include a national network of incubators located in public universities.

These will in turn, feed start-ups into the proposed incubator within the MSC which will act as the central incubator and this network will facilitate the development of technopreneurs.

In addition, the prime minister said the government is also developing a system to facilitate the flow of venture capital and management assistance to start-up companies within the MSC based on the Swedish I-M International model.

Meanwhile, Dr Mahathir commended Nippon Telephone & Telegraph for its support with the building of its second largest overseas research and development (R&d) centre within the MSC, after the United States.

He said NTT's significant investment in the MSC is of particular importance because of its size and influence as a global player in the information and communications technology industry.

Dr Mahathir said Cyberjaya is only scheduled to be officially open, with a full range of infrastructure facilities, at the end of June 1999.

However, companies such as NTT, British Telecoms Multimedia and British Aerospace has moved into Cyberjaya a year ahead of schedule. -- BERNAMA

SHO DVS