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PM: MSC ahead of schedule (HL)

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KAJANG, Mon. - Prime Minister Datuk Seri Dr Mahathir Mohamad said infrastructure development of the Multimedia Super Corridor was progressing ahead of schedule and was in fact expected to be ready about a year early - in December.

He also expressed satisfaction at the response from investors, with 176 companies having applied for MSC status, and 103 of which have been approved.

Dr Mahathir also dismissed suggestions that the region's economic problems would adversely affect the project.

"No. Not the MSC, it will not," he told a Press conference after chairing the fourth Multimedia Implementation Council meeting at the Multimedia Development Corporation transit office complex in Cyberjaya today.

The 13-member council, which includes Deputy Prime Minister Datuk Seri Anwar Ibrahim, Education Minister Datuk Seri Najib Tun Razak, Energy Telecommunications and Posts Minister Datuk Leo Moggie, Selangor Menteri Besar Datuk Abu Hassan Omar and MDC executive chairman Tan Sri Dr Othman Yeop Abdullah, met for nearly four hours this morning on the progress of the MSC.

Dr Mahathir said the MSC, a 15km by 50km multimedia hub extending south from the federal capital to the Kuala Lumpur International Airport in Sepang, was roughly a year ahead of schedule.

"The programme for 1999 has been completed and at the end of this year, most of the things will be in place."

He said there were indications that some companies operating in other countries were keen to relocate to the MSC.

"We have provided the necessary infrastructure and this has proven to be satisfactory. The cyberlaws are largely in place and there are decisions made by the committee today that are attractive."

Asked about the privileges for operating in the MSC, Dr Mahathir said certain practices would be different from the rest of the country, including "absolute access to the Internet" and the issuance of multiple-entry visas to expatriates.

"They will have absolute access to Internet without any form of censorship while foreigners (working in the MSC) will find it easier to enter and leave the country as they will have multiple-entry visas."

Asked whether this means that there will be censorship of the Internet outside the MSC, he said the Government had not decided on this "because at the moment we do not know how to censor the Internet".

Othman said companies operating within the MSC area expected to see returns on investments on a 3:1 ratio, based on business plan projections submitted by 78 MSC companies which have already begun operations.

"This means that for every RM1 million invested, they expect to get back an average of RM3 million."

He said two MSC companies had far outperformed this earnings ratio - Datek Sdn Bhd and Infortech Software Sdn Bhd.

Datek is involved in providing computing solutions for corporate clients using Java technology developed by another MSC-status company, Sun Microsystems Inc, while Infortech is involved in doing software conversions into Japanese.

On another issue, Dr Mahathir said Malaysia was looking at the

International Monetary Fund's suggestion that local interest rates be raised.

Commenting on the suggestion, he said: "I think the IMF is a responsible international body which does not threaten ... it is giving us advice."

Dr Mahathir said the "IMF is not threatening us to do this or that" lest the ringgit's value dropped again.

"But we will look into it (the suggestion)," he added.

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