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US magazine article on MSC hitting 'below the belt'

Leong Shen-li

KUALA LUMPUR, Tues. - Multimedia Development Corporation executive chairman Tan Sri Dr Othman Yeop Abdullah today described an article about the Multimedia Super Corridor in an American business magazine as grossly unfair, hitting below the belt and an example of sensationalism at its worst.

"It would seem that the article which appears in the March 22 issue of Business Week was malicious and written with a hidden agenda," Othman said.

He was speaking at a Press conference called to refute the article's claims.

Also present were representatives of most of the companies which were mentioned and quoted in the article.

Entitled Mahathir's High-Tech Folly, the article was written by Bruce Einhorn, the magazine's correspondent in Hong Kong, and appeared as the cover story of the issue. The magazine is part of the American publishing group McGraw-Hill.

The article said the MSC suffered huge setbacks not only because of the current economic situation, but also due to Prime Minister Datuk Seri Dr Mahathir Mohamad's actions in response to the crisis.

It also claimed that the MSC had failed to get significant investments from hi-tech companies, and further alleged that political instability had pushed many companies to neighbouring countries.

Othman said all these claims were totally untrue when seen against the progress which the MSC had achieved.

The representatives of companies which were mentioned in the article later made presentations at the Press conference.

They said that their interviews had been used out of context by the writer of the article.

Microsoft (Malaysia) Sdn Bhd managing director Benedict Lee said his comments about the location of Microsoft's Asia Operations Centre in Singapore was used out of context.

"I specifically told Einhorn that our operations centre in Singapore is a separate entity and not a reflection of Microsoft's commitment to the MSC," Lee said.

BizTone Sdn Bhd chief executive officer Darryl Carlton said he was concerned with the article which painted the impression that some MSC companies were leaving.

"Far from leaving Malaysia, BizTone is in fact committed to its presence here as we continue to to grow and expand our operations in Kuala Lumpur," Carlton said.

IBM's operations, marketing and strategy director Sim Hong Kee said IBM was committed to the Malaysian marketplace in the long term.

Among others present were Netcard Corporation Sdn Bhd Leong Seng Keat, Sun Microsystems Malaysia Sdn Bhd managing director Govinathan Pillai and Asia Travel Network Sdn Bhd chief executive officer Alex Kong.

Earlier, Othman explained that as far as world class companies go, the MSC had already managed to attract 29 such companies, which was more than half of the targeted 50 to be achieved by the completion of phase one in 2003.

"By now, there are already 139 MSC companies in operation with an investment amount totalling RM1.139 billion, compared to RM1.119 billion

last year and RM1.065 billion in 1997," he said.

He added that the MSC expected to bring in more than RM4 billion in revenue this year, which would be an increase from last year's RM2.922 billion and RM1.065 billion in 1997.

"Furthermore, we all know that the first thing we hope to derive from the MSC is intellectual capital, while monetary profits would only come in second," he added.

He said the spread of the activities of the various MSC companies, which covered software, systems integration, telecommunications and network-related services and others, was good.

On top of that, he said that the official opening of Cyberjaya, which was scheduled for the end of this year, had been brought forward to June, showing that despite the economic situation, the development of the MSC was on schedule.

He also said Dr Mahathir had directed the relevant Ministers to take immediate steps to address industrial concerns over issues like Internet censorship and intellectual property rights infringements.

These developments, Othman said, were hardly the basis for the magazine to publish such a report, which created the impression that the MSC was doomed and had an uncertain fate.

When asked whether the MDC or any of the companies named were going to take legal action against the magazine, Othman said he would prefer to "play the game" and refute the claims through various other means, including the media.

"We will have to do a great deal of damage control," he said, adding that the MDC would have to undertake a well-planned promotion.

"I will immediately write to all MSC-status companies and also meet personally the heads of companies during overseas promotions by the International Trade and Industry Ministry," he said.

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