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An opportunity worth pursuing

THE physical infrastructure for the Multimedia Super Corridor (MSC) is in place. The people that matter most in the global information technology (IT) industry, by all accounts, like what Malaysia has in mind for the project. The vision is very clear. The MSC shall offer new economy companies, local and foreign, the best possible environment, an international hub, to grow their businesses, and they in turn shall help usher the nation into the next phase of its development, that of a knowledge or k-economy. Interest in the MSC has been created, and sustained, not least by the personal efforts of Prime Minister Datuk Seri Dr Mahathir Mohamad in not only selling the idea to the world, but also making the massive project a reality in four short years; and this despite the fallout from the Asian financial crisis in 1997-98.

An important window of opportunity has indeed been opened. The challenge now, possibly the biggest yet, is to ensure that this opportunity does not go to waste; that the veritable potential of the MSC is realised in the shortest possible time. This is made all the more crucial because similar initiatives are being pursued by other countries, including a number in the region. Malaysia has to come to terms, and very quickly, with certain things. While it has stolen a march on its rivals, the edge that has been so painstakingly plotted and acquired can all too easily vanish in the frenetic world of cyber thrusts and parries. And there is danger that in concentrating on the thrusts, Malaysia might not be giving sufficient attention to the need for strong parrying skills. No where is this need more crucial and urgent than at the Multimedia Development Corporation (MDC), the overseer of the MSC project.

Feedback from the experts and industry players, including criticisms - constructive or otherwise - and suggestions and proposals, are only as useful and meaningful as how well the recipient responds to them. With a proper mechanism and the right mindset, weaknesses can be quickly identified and acted upon, and new ideas and practices adopted to make things are running smoothly even more efficient. In fact, this is the single biggest factor that will determine how expeditiously the MSC can move on the next phase of its evolution. It will be the first step towards convincing the prospective financial backers, investors and actual players to transform their vote of confidence into firm commitments.

The fourth International Advisory Panel (IAP) meeting which ended last Friday has again elicited a strong show of support from the participants. Further insights on both emerging and waning trends in the global IT industry would have been secured. Additional advice on finetuning the MSC project too would have been received. But on the part of the MDC, there is a need to be ever pro-active. Irritants ought to be addressed well before they become issues, and tomorrow's requirements should have been looked into yesterday. This raises the question of whether meeting once every 12 months is sufficient, what with the state of flux in the IT world. With many businesses already operating at cyber, some say breakneck, speed, an increase in the frequency of the IAP meetings deserves consideration.

As for specific concerns, the need for venture capital appears to be quite high on the list. The problem is not specific to Malaysia though. The beating that tech stocks worldwide received of late has not only spooked investors but also served to highlight how volatile funds flows can be. Any businessman can tell you that it is not good enough just to

have a good product. Getting it to the market, and at the right time, is just as important. Still, some quarters have pointed to the supposed lack of an exit point for venture capitalists in Malaysia for their reluctance to commit in a bigger way in local IT companies. They say these funds tend to operate in a two- to five-year timeframes before making their exit through, say, an initial public offering. But are such "investors" worth pursuing in the place? As a dotcom consultant noted recently, how can a business depend on a partner who is thinking of an exit even before he makes the investment?

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