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Responding to IT challenges

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PUTRAJAYA, Thurs. - Datuk Seri Dr Mahathir Mohamad today said the National Information Technology Council should consider strategies to help Malaysia respond to the changes and challenges posed in the information communications technology.

The Prime Minister said although the National Information Technology Agenda had given rise to some successful strategic programmes, many things had changed.

"The NITA can continue as our vision for development, but it is time for the council to consider new strategies that will take us closer to our goal," he said in his opening remarks at the ninth NITC meeting here.

Dr Mahathir said these strategies needed to be based on global economic trends which indicated that the emerging economy would be knowledge or knowledge-based.

NITA, launched in 1996, is a long-term plan to transform the entire nation into a knowledge-based society in accordance with the objective of Vision 2020, which was to achieve a developed nation status by the year 2020.

"While traditional economic factors result in diminishing returns, an economy based on knowledge can provide increasing returns.

"Those with knowledge will get richer and those without it will continue to suffer," he said.

Dr Mahathir said unless swift action was taken, the national industries would rank among the information poor and would continue to pay licensing fees for designs and inventions, produce goods and services under someone else's trademark and be a market for someone else's goods.

"We must move up the value chain and become creators of knowledge.

"Not only must we create new knowledge-based industries, we must also enhance knowledge intensity in all our current economic activities such as agriculture, manufacturing and services," he said.

He said the country's existing industries must be realigned to function effectively in the knowledge economy or they would lose their competitive edge to emerging low-cost countries.

The Mutlimedia Super Corridor and NITA, he said, were good beginnings but there was a need to develop a framework to guide Malaysia's transition into the knowledge economy.

"We have a window of opportunity to position ourselves as the knowledge economy is only just emerging," he said adding that existing institutions and practices should be reviewed to ensure a controlled transition.

At a Press conference later, Dr Mahathir said he felt Malaysia had been able to handle its transition from an industrial-based economy to knowledge-based.

Asked if this was one of the reasons why the shares of internet-based companies on the local bourse was on the uptrend, Dr Mahathir said this was not only the perception of Malaysians but the global community.

"People everywhere think that IT companies, especially those which use the words dot.com. have the potential to progress.

"Though they are incurring losses now, they have a bright future," he said.

Citing an example, Dr Mahathir said he had been told an Internet-based company, Amazon.com, had never made profits although it was becoming bigger by the day.

"The company's business is getting bigger by the day...I think it will become successful one day," he said, adding that its shares would also increase in tandem.

Dr Mahathir also announced the appointment of Education Minister Tan Sri Musa Mohamad and Datuk Paul Low of the Federation of Malaysian Manufacturers as made members of the 29-member NITC.

Asked on predictions by many quarters that the GDP growth figures for 1999 would be more than the 4.3 per cent forecast by the Government, Dr Mahathir said: "I think people from outside are making predictions about better growth than we pessimistic Government people have been making.

"I think they have information which we didn't know but which we now know."

Finance Minister Tun Daim Zainuddin will announce the GDP figures while re-tabling the Budget 2000 tomorrow.

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