

# Beefing up content to drive K-Economy

By CHEE YIH YANG

PETALING JAYA: The Malaysian Government intends to beef up content and infrastructure development to help the country transform itself into a knowledge-based economy, or K-Economy.

Guidelines are being formulated to encourage the growth of content, one of the main hurdles in moving towards the K-Economy, according to Datuk Dr Halim Shafie, Secretary General of the Energy, Communications and Multimedia Ministry.

Among the proposed measures would be the establishment of a content development fund of around RM10mil, he said.

The government would also formulate a clear definition of what constitutes "local content," establish a one-stop agency for foreign filmmaking, continue to uphold intellectual property rights, promote "balanced" content and set a quota for local content development, he said at the *Building Successful Organisational Models for Knowledge Management* conference last week.

The conference, hosted by Universiti Teknologi Mara (UiTM) and the Malaysian Association of Distance Learning (Made), included participants from the public and private sectors who spoke about plans by their respective organisations on various initiatives in the technology sector.

Among the measures the country has introduced over the years to drive technology development are programmes like Irpa (Intensification of Research in Priority Areas) and Mastic (Malaysian Scientific and Technical Information Centre).

Prime Minister Datuk Seri Dr Mahathir Mohamad recently unveiled the Third Outline Perspective Plan (OPP3), which will accelerate national efforts in human resource development, science and

technology, R&D, "infostructure" and financing (see *In.Tech* last week).

## Lagging infrastructure

The other two key areas of a K-Economy are "soft infrastructure," which encompasses legislation, and "physical infrastructure," which covers the telecommunications infrastructure, Halim said.

Most of the "soft infrastructure" is already in place with the various "cyberlaws," which include the Communications & Multimedia Act 1998, the Digital Signatures Act 1997, the Copyright Amendment Act 1997 and the Computer Crimes Act 1997.

However, the physical infrastructure remains the thorn: When asked to comment on the slow takeoff of broadband infrastructure development in the country, Halim said that two core problems need to be addressed first — mobility and affordability.

"The physical infrastructure is still more urban-centric, and there is difficulty in providing access to rural areas.

"Affordability is also a key issue, as ISDN lines here are leased out at RM35,000 a year, while neighbouring Singapore can offer broadband services at less than RM100 per month (or RM1,200 per year)," he said.

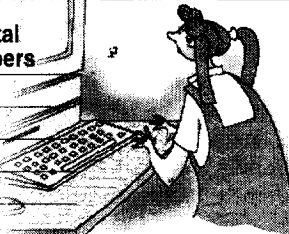
He said he believes existing telephone tariffs and broadband fees will be lowered within "one or two years."

The Government also wants to speed up the availability of Internet access in rural areas by equipping post offices with Internet facilities and transforming existing cybercafes there into "Internet community centres."


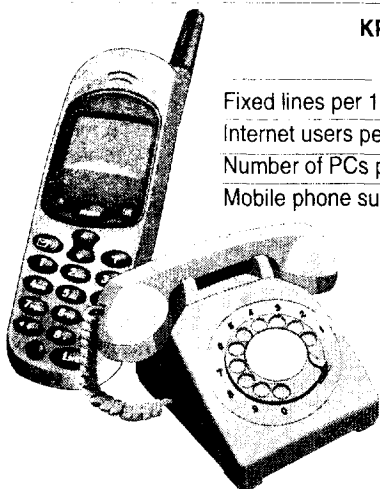
These suggestions would supplement the existing Rural Internet Centre (RIC) programme, currently in its second phase, which will see 100 such centres nationwide by 2002.

All schools in Malaysia would

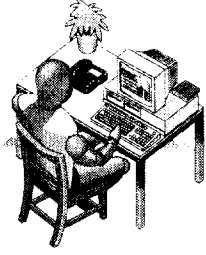
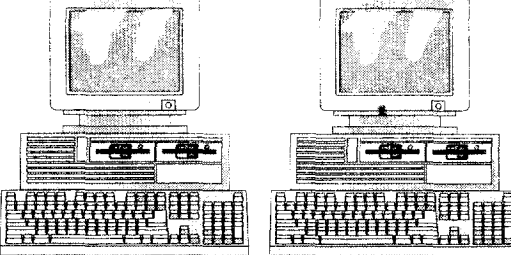
## DISTRIBUTION OF INTERNET SUBSCRIBERS BY STATE IN 2000 (by the Ministry of Energy, Communications and Multimedia)



State	Population	% of total population	% of total subscribers
Perlis	198,000	0.89	0.5
Kelantan	1,289,199	5.81	0.8
Terengganu	1,879,691	3.96	1.1
Pahang	1,231,176	5.55	1.7
Sabah & Labuan	2,519,906	5.84	2.6
Negeri Sembilan	830,080	3.74	2.6
Kedah	1,572,107	7.08	3.1
Malacca	602,867	0.89	3.2
Perak	1,289,199	9.14	5.3
Sarawak	1,879,691	9.06	7.2
Penang	1,231,176	5.52	10.5
Johor	2,519,906	11.56	11.1
Kuala Lumpur	830,080	5.84	23.9
Selangor	1,572,107	17.78	26.3
<b>Total</b>	<b>22,202,614</b>	<b>100</b>	<b>100 (1.5 mil in total)</b>

KPI	Current Malaysian Level	Current World Class Level	Target for 2005
Fixed lines per 100 people	23	50	35
Internet users per 100 people	7	25	25
Number of PCs per 100 people	8	40	30
Mobile phone subscribers per 100 people	23	30	30

also have Internet access by 2005, with priority given to secondary schools.

These measures are part of the Malaysian Government's efforts to address the so-called digital divide, which refers to the disparity in basic telephony and Internet access between socioeconomic classes.

Almost 70% of Malaysian Internet users are in the Federal Territory, Selangor, Penang, and Johor. It is also estimated that 83% of rural and 60% of urban households find it difficult to afford basic Internet-enabled PCs, according to external consultant reports (see Table 1).

Based on these reports, the Gov-

ernment has set several targets in improving telephony and Internet access (see Table 2).

The Energy, Communications and Multimedia Ministry will tomorrow submit a paper comparing the various service charges of all Malaysian telecommunications companies to the government, said Halim.