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MSC doing `very well' (HL)

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CYBERJAYA, Thurs. - The Multimedia Super Corridor is "healthy and doing very well" in attracting investors, contrary to what is being perceived, Prime Minister Datuk Seri Dr Mahathir Mohamad said today.

The slowdown in the United States economy has not affected the growth and development of the MSC, he said at a Press conference after chairing the MSC's Fifth International Advisory Panel meeting.

The continued investment in the five-year-old visionary project is testimony that the MSC will continue to develop as a major information and telecommunications hub.

"In the MSC, we noticed that the (US) slowdown has not affected us that much. Investment is still increasing," he said.

Dr Mahathir said demand for office space and accommodation in Cyberjaya was also another strong indicator of the growing success of the MSC.

The Government has projected an upturn in the electronics sector by the year-end, with imports of intermediate goods expected to rise.

The order books, he said, were filling up again and companies were starting to produce and export to other countries. This included the US.

Also present were Deputy Prime Minister Datuk Seri Abdullah Ahmad Badawi, Selangor Menteri Besar Datuk Seri Dr Mohamad Khir Toyo, Energy, Telecommunications and Multimedia Minister Datuk Leo Moggie, and members and representatives of the IAP.

Replying to a question, Dr Mahathir said although foreign direct investment was slow in coming in, the situation applied to other countries in the region as well.

"We began with in 1996 with a target of securing 500 companies by 2003," he said. "Today, we already have 554 companies accorded the MSC status."

Dr Mahathir said although small, the investments were consistent and came from some of the biggest and best-known companies in the world.

Citing oil giant Shell, Dr Mahathir said the company had invested in three IT-based hubs, the first two being in The Hague and Texas, but its third investment - the MSC - proved to be its largest.

Other countries have also begun to take notice of the project and have expressed keen interest to start something similar.

"A lot of countries are beginning to copy what we are doing here," he said.

"Syria has also appointed us as a consultant for its own project there. We are also talking to Egypt."

Dr Mahathir said if the MSC was indeed failing, such support and request for technical expertise would not have been made.

"We must be doing something right; otherwise, why are they noticing and coming to us."

Asked about the E-Village project, he said initial investment had been inadequate but instead of abandoning the project, the Government was trying another party to develop it.

"We'll have to clear certain things first," he said.

Meanwhile, the Multimedia Development Corporation is planning to implement a new flagship under the MSC incorporating a design centre for manufacturing and biotechnology.

"It will draw ICT applications and products and provide opportunities for local companies," MDC executive chairman Tan Sri Dr Othman Yeop Abdullah said.

Also in the pipeline is human resource development, much needed to develop new and emerging skills.

On talks of restructuring plans for MDC, Othman said it planned to hive off some of its investments and bring in more talented people.

"Some will be weeded out soon, including me... that's the way," he said, without elaborating.

Othman said Jordan has agreed to take a majority share of operations in one of its companies, Knowledge Worker Exchange Bhd (KWX).

"We are also looking to people to buy out Optica Technologies Sdn Bhd."

Education Minister Tan Sri Musa Mohamad said Telekom Malaysia Bhd was currently doing the software for the smart schools.

It is also looking to other initiatives from the private sector.