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## Boost for tech education

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THE use of information and communications technology (ICT) will continue to increase in schools, especially in assisting the Government's decision to introduce English as a medium of instruction to teach Science and Mathematics.

Based on Budget 2003 presented by Prime Minister Datuk Seri Dr Mahathir Mohamad, who is also Finance Minister, last Friday, RM5 billion has been allocated to finance the teaching of Science and Maths in English from 2002 to 2008, and this will largely include teaching and educational aids such as facilities and physical infrastructure for ICT.

In addition, teachers will be supplied with notebook computers, liquid crystal display (LCD) projectors and related equipment amounting to RM978.7 million.

The Budget also assures that all schools will be equipped with computer labs, where phase one and two will involve construction of 4,400 labs, of which 1,058 have been completed. Phase three, meanwhile, will cover the rest of the schools.

Smart schools will continue to emphasise the use of software for teaching and learning of Science, Mathematics, Bahasa Malaysia and English. To date, eight schools have begun operations and three more will be completed next year.

Another boost to the use of ICT is the national rollout of MyKad, whereby all locals will have the card by 2005. Free of charge except for renewals, the card will include additional information such as marital status and voting constituency.

Also, all new babies will be issued the MyKad, which will serve as a lifelong identification document and personal database.

Budget 2003 also proposes a programme to narrow the digital divide, specifically aimed at providing Internet access to the interiors of Sabah and Sarawak. In the first phase, a total of 250 schools will receive this facility, which can be shared with local communities.

Another provision proposed in the budget is for electronic procurement services. Currently covering registration of suppliers, central contract and direct purchase, the services will include two more applications - procurement by tender and price quotation - by next year.

Companies in the ICT sector, on the other hand, can look to several tax-related incentives proposed in the budget.

Companies with a paid-up capital of RM2.5 million and below are subject to a corporate tax of 20 per cent (as opposed to 28 per cent currently) for income of up to RM100,000. Corporate tax on the remaining income remains at 28 per cent.

In addition, operational headquarters will be exempted from income tax for 10 years.

To encourage high-value activities in the manufacturing sector, companies which design, develop and produce automotive component modules or systems will be granted pioneer status or investment tax allowance under the hi-tech incentive package.

Also, a company that has obtained strategic knowledge-based status is proposed to be granted pioneer status or investment tax allowance under the hi-tech incentive package.

In addition, expenses incurred by the company to prepare the knowledge-based masterplan will be allowed as a deduction for income tax purposes.

