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Incentives needed to keep high tech edge

MALAYSIA's leadership role in high technology can be maintained and further leveraged if subsidies or incentives are provided by the Government to application service providers, RosettaNet chief executive officer Jennifer Hamilton said.

She singled out positive attributes such as the country's technology infrastructure, strong and cost-effective knowledge base and competent English speakers.

"These are conducive to the development of low-cost solutions and is something that the rest of Asia does not have," she told NST Business.

Pointing to the fact that many American companies were shifting their information systems and information technology activities to Asia, Hamilton said the significant amount of supply chain knowledge mastered by Malaysia, wage factor and English competency would serve as plus points.

"The challenge for mid-tier high technology trading companies here, however, is that they are smaller than those in Europe, the US and Taiwan and may find the US\$20,000 (RM76,000) tag for application solutions a little steep.

"Our goal is to drive this down to US\$5,000 (RM19,000)," she added.

Hamilton said with Malaysia's rich base of solutions providers, the Government could assist this community by providing them incentives to develop cheaper applications.

When tabling the Budget 2002 last October, Dr Mahathir announced a RM5 million allocation for three categories of Government-approved funding:

- * infrastructure for a RosettaNet Malaysia consortium
- * implementation grants
- * tax incentives for companies supporting RosettaNet implementation.

Meanwhile, RosettaNet's vice-president for standards management Paul Tearnen said the team of five Malaysian engineers who had been seconded to RosettaNet Malaysia and currently training in the US were "up-to-speed" and catching up quickly in training.

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