

20 SEP 2002

BUDGET-VENTURE

RM1 BLN FUND TO ENCOURAGE VENTURE CAPITAL ENTREPRENEURS IN NON-ICT FIELDS

KUALA LUMPUR, Sept 20 (Bernama) -- The government will set up a new fund of RM1 billion to encourage venture capital entrepreneurs to be involved in non-information and communication technology (ICT) fields, Datuk Seri Dr Mahathir Mohamad said today.

With the establishment of the fund, the Prime Minister, who is also the Finance Minister, said that non-ICT companies will also have access to venture capital and soft loans.

In tabling the 2003 Budget in the Dewan Rakyat here, he said that venture capital is the impetus for the rapid growth of knowledge-based and high technology industries.

Dr Mahathir said that the government has already established Malaysia Venture Capital Management Bhd (MAVCAP) and Malaysia Debt Ventures Bhd (MDV), with funds totalling RM2.1 billion, to develop a resilient and dynamic venture capital community.

MAVCAP has channelled equity financing to four local venture capital companies in ICT namely telecommunications and photonics sectors as well as biotechnology and life sciences.

MAVCAP has also implemented several intensive programmes to develop local technopreneurs and foster cooperation between the venture capital community and local research institutions to commercialise the findings of research and development.

Dr Mahathir said that the government will accelerate the transition to ICT in line with efforts to achieve a new knowledge-based economy.

The implementation of the Multimedia Super Corridor (MSC) has succeeded in developing infrastructure and infostructure, implementing flagship applications as well as creating a world-class multimedia centre to attract international corporations to the MSC, he said.

"Total sales of MSC companies are expected to surge to nearly RM5.7 billion this year compared to RM3.4 billion in 2001. In addition, a total of 18,900 employment opportunities is expected to be created by year end, of which 85 percent are skilled workers and 88 percent local workers."

An interesting development is the relocation of global operational centres to Cyberjaya by several giant international companies, he added.

Dr Mahathir also said that in tandem with the government's intention to widen the use of ICT, all new born babies will be provided with Mykad, a lifelong identification document and a personal database.

"The programme will commence on Jan 1, 2003. This will reduce the hassle of filling up forms when dealing with government agencies and the private sector," he said.

Mykad contains information of the holder, including birth certificate as well as information for dealing with government agencies. Additional applications such as ATM, MEPS cash and Touch 'n Go will also be incorporated. Several new applications will also be incorporated in MyKad.

The Prime Minister said a national roll-out will be implemented and all Malaysians will possess MyKad by 2005.

"As MyKad is an important document, the government has decided to issue it free of charge for government applications, except for renewals. There is no reason for anyone not to convert their identity card to MyKad. Malaysians are given up to end of 2005 to make this change."

Dr Mahathir also said that the Energy, Communications and Multimedia Ministry is implementing the connectivity programme aimed at providing

Internet access to the interiors of Sabah and Sarawak to reduce the digital divide.

For the first phase, a total of 250 schools will receive the facility, which can be shared with the local communities. -- BERNAMA

MKO FR