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YEARENDER-ICT

MALAYSIA'S ICT SECTOR TO GROW FURTHER FROM STRONG GOVT SUPPORT

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KUALA LUMPUR, Dec 18 (Bernama) -- Malaysia's information and communication technology (ICT) sector is poised to grow further next year given the strong commitment of the government which is striving to transform the country into a global multimedia hub, says a research analyst.

Adrian Lee of Infocomm Research says the government has been working hand in hand with the industry to attract bigger ICT players who could use Malaysia as a test-bed for new services and products.

"The ICT market in Malaysia is expected to register good growth in tandem with the anticipated recovery of the economy," he told Bernama recently.

The Malaysian economy is expected to grow within the range of 4.5 to 5.0 percent in 2002 and 6.0 to 6.5 percent 2003. The ICT sector has been cited as one of the new growth areas besides biotechnology and tourism.

Lee said many foreign companies are here to take advantage of the incentives offered by the government, either financial or non-financial.

Within the Multimedia Super Corridor (MSC), vast opportunities exist for players to market their services not only locally, but also beyond Malaysian shores. To date, there are 784 Multimedia Super Corridor (MSC) status companies with a total investment value of RM6.4 billion, surpassing the original target of having having 500 companies by 2003.

"The MSC would continue to serve as an important catalyst to transform Malaysia into a knowledge-based economy and society," Lee said.

For the Multimedia Development Corporation, the agency entrusted with developing MSC, the key results of a successfully-implemented MSC will be the increase of various key performance indicators (KPIs). These include growth in export of ICT products and services, creation of high-value added employment opportunities, increase in investment in the MSC, national productivity and competitiveness.

Its new chief executive officer, Datuk Dr Mohamed Arif Nun, also said that MDC is always looking for opportunities to attract world-class ICT players into the MSC. Some of its recent successes include the participation of companies like Satyam, DHL, Shell and HSBC, and in the near future, BMW.

Prime Minister Datuk Seri Dr Mahathir Mohamad also played a key role in promoting MSC. The latest was when he visited Hyderabad in India last October and this subsequently saw many many Indian IT companies showing keen interest to expand their operation in Malaysia.

One of them, Satyam Computer Services Ltd, plans to make Malaysia its solution centre to cater for global clients while Infosys expressed its readiness to work closely with Malaysia.

As for local telecommunications operators, Lee felt that they would have to move away from the traditional voice services and grow their mobile and Internet businesses quickly.

"The major operators are now looking to partner with technology companies in the wireless space to assist them with the development of these new services," he said.

As such, wireless technology is likely to be one of the key focal areas for MSC companies in 2003 and 2004, he added.

At present, wireless technology has been steadily progressing under the guidance of MSC along with Ministry of Energy, Telecommunication and

Multimedia and the Malaysian Communication and Multimedia Commission. The adoption of wireless Local Area Network (LAN) technology was becoming evident, with sales of WLAN equipment reaching RM40 million in 2002.

"WLAN adoption is taking place mainly as an extension of or an alternative to, wired LANs in private corporate and residential sites. Public access WLAN hotspots have emerged sporadically across Kuala Lumpur and Cyberjaya, but have yet to see significant usage," Lee said.

Enterprise applications services such as customer relationship management (CRM), call centres and support centres should also see increased adoption next year, particularly by banks, insurance, security and finance companies, and among telecommunications operators. Services such as web hosting, security, and disaster recovery will also see positive growth.

Energy, telecommunications and multimedia minister Datuk Amar Leo Moggie has constantly extolled the merits and vast potential in setting up call and support centres in the country.

In this respect, IBM Malaysia has been in the forefront by having chosen Malaysia for a myriad of regional support activities. These include accounting, administrative, technical sales, and centre for integrated technology services.

Voon Seng Chuan, IBM Malaysia's managing director, said these regional centres demonstrated the company's support for the government's efforts to develop the country's economy into a knowledge-based economy.

"Through our involvement, we are developing a wealth of knowledge workers in Malaysia in the process," he said.

With 180 Malaysians out of 260 people manning the four IBM strategic regional support centres, Voon said it amplified the calibre of Malaysians in a knowledge-based economy.

Summing up Malaysia's ICT performance this year, Lee said it was affected by the decline of the US market and described this as major setback because ICT exports account for more than 60 percent of the country's total exports.

However, the decline was slightly cushioned by the RM4 billion stimulus package provided by the government of which RM300 million was allocated for the establishment of ICT set-ups.

"The allocation is a testimony that the government continues to reinforce the message that ICT remains a key sector for the economy," he said. -- BERNAMA

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