

# I-City has what it takes to attract foreign investments

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I-CITY, a RM2bil knowledge-community project initiated by I-Bhd has the potential of attracting a lot of foreign investments as well as tourists. As such its status as Selangor's first Cybercentre with MSC-status should be further promoted.

This was the consensus of several delegates and fund managers at the recent 2nd International Symposium on Knowledge Cities held in Shah Alam last week. About 250 delegates, half of whom were from Arab countries attended the three-day symposium opened by Deputy Prime Minister Datuk Seri Najib Tun Razak on July 16.

A special investors' dialogue organised by the Selangor State Investment Centre was also held in conjunction with the symposium. Selangor state executive councillor Datuk Tang See Hang who is also chairman of investment, industry and trade chaired the dialogue.

Representatives of international foreign investment companies such as UBS AG, Credit Suisse, JP Morgan Chase Bank, Goldman Sachs and FPD Savills International attended the dialogue.

The delegates and fund managers were impressed with the project (a model of i-City was exhibited at the symposium's venue at the Concorde Hotel in Shah Alam), as they felt it was truly unique.

JP Morgan Chase's managing director David G. Fernandez said as an MSC-status development, companies would be able to bring in skilled foreign workers as well as hire local knowledge workers.

He is also pleased with i-City's strategic location and that I-Bhd was able to differentiate its development from other special zones, such as the Iskandar Development Region and the Northern Corridor Economic Region, all of which would help the nation's economic growth.

UBS AG executive director Paul Stefansson said i-City was well located and near univer-

## BUSINESS PROPERTY TALK BY: S.C. CHEAH

sities with access to highways.

On the feasibility of relaxing current restrictions on entertainment, he felt that it would help but was not a critical issue.

Regroup & Associates Sdn Bhd executive chairman Christopher Boyd said, as i-City would have an expatriate community, it would be helpful if these foreigners could have a bit of night life such as karaoke, wine bars and some entertainment.

"This is part of the expatriate culture. For that to happen, the current licensing for this type of entertainment should be loosen up," he said, adding that it would also add greater value to i-City and help put Malaysia on the world ICT map.

A foreign delegate who declined to be named said i-City's 72 acres were small in relation to the state of Selangor but its economic contribution could be significant.

The fact that a special dialogue was held to brief and "woo" the fund managers showed that the Selangor state government is serious in promoting i-City which according to Tang would create jobs for 50,000 knowledge workers.

"There will also be a multiplier effect for both the business and residential community in Shah Alam. Many businesses will be set up to support the tenants and residents at i-City," he said, adding that a number of international investors had shown keen interest to participate in this development.

"These ventures vary from providing managed services to the whole site to being co-developers for the shopping mall," he added.

Tang also announced that all purchases of leasehold properties in Shah Alam would



Datuk Seri Najib Tun Razak (centre) being briefed about the project by I-Bhd chief executive officer Eu Hong Chew. With them are Selangor MB Datuk Dr Mohamad Khir Toyo (4th from right) and I-Bhd chairman Datuk Lim Kim Hong (right)

now be handled by the land office instead of having to go through the state exco.

He also said the Selangor state government would study a suggestion that priority be given to ICT companies located in i-City when it came to government projects.

Meanwhile it is also felt that these foreign ICT companies should be able to enjoy all the incentives under the MSC Bill of Guarantee, as i-City is a MSC area.

As such i-City will have to offer both financial incentives and a cosmopolitan lifestyle.

Thus Shah Alam can enjoy the economic benefits of i-City while limiting the socio-cultural influences to a small area.

A case in point is China whose special zones in Shenzhen and Pudong have proven to be very successful in attracting foreign

direct investments. These zones have been the catalyst in China's economic development and it has also allowed the government to control the socio-cultural influences of these foreign investments.

Professor Mahendhiran Nair, director of research at the Monash University, Sunway Campus in Petaling Jaya, said people today wanted broadband connectivity not only in their homes and offices but also in shopping centres and this was what i-City could offer.

Meanwhile, Shah Alam mayor Haji Mazalan Mohd Nor is currently in China, leading a delegation to visit several cities including Shanghai to learn about such economic zones. City officials would then decide on the proposed Shah Alam ICT Zone where the i-City project is sited.