

**SPEECH BY  
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AT THE SOFTWARE POLICY SUMMIT 2000: PROMOTION OF THE SOFTWARE  
INDUSTRY IN THE INFORMATION AGE  
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1. It is an honour for me to address such a distinguished gathering of top level international and Asia Pacific Information Technology professionals and policy makers at this inaugural software policy summit. This event represents a collaborative effort and initiative between the ministry of Domestic Trade and Consumer Affairs Malaysia and the Business Software Alliance (BSA), with the support of the Multimedia Development Corporation (MDC).

2. You will be examining an important and pertinent issue - the promotion and protection of the software industry in the information age. As the I.T. practitioners and policy makers who will build the legal, policy, and technical frameworks to take us into the digital age, I believe you will benefit greatly from this summit which will provide an important forum in which to discuss the future of technology development in the Asia Pacific region.

Ladies and gentlemen,

3. I am sure that everyone here is aware that we live in a rapidly shrinking world. The exponential growth of the internet in recent years has had a substantial impact on how people throughout the world communicate, conduct business and trade, and even how they interact with one another.

4. Rapid advances in technology and cutting edge breakthroughs in application development has enabled more people to capture the opportunities of the digital age. Indeed, the interconnectivity and access to information that the internet provides can be seen as 'leveling the playing field' for small and medium enterprises and local technopreneurs. Traditional barriers to entry in many markets are no longer effective in keeping out the smaller start-ups. In the digital age knowledge, itself, becomes a factor of production that is equally - if not more - important than traditional factors such as land, labour and capital.

5. It is up to us as policy makers and information technology practitioners to create conducive frameworks that will allow as many people to seize and leverage on these opportunities. It is in full appreciation and recognition of this potential that the Malaysian government expresses its commitment to the growth and development of an information rich knowledge economy.

6. This summit will provide you with an important opportunity to share with each other the positive steps that your respective governments are taking to prepare for a knowledge-based global economy. The first thing that we must realise about the digital age is that knowledge and information must be shared. If we recognise knowledge as an important component of production and information as an important resource for development, we must strive to collaborate and cooperate effectively. I see this summit as a chance for us to study policies that are being implemented in various countries with the hope of finding international best-

practices that can be of benefit to us all.

Ladies and gentlemen,

7. The Malaysian Government has already taken what we feel are important steps in steering our economy towards success in the digital and information age. Our strategy of development was broadly articulated in 1991 with our vision 2020. This vision sees a fully developed country by the year 2020 - economically, socially, culturally and spiritually.

8. In addition to this vision, we have developed a central vehicle through which we will capitalise on global developments in information and communication technologies - the multimedia super corridor (MSC). The MSC represents more than a physical space. It represents our collective efforts, as a nation, to focus on developing a competitive, technology driven economy. The MSC will be Malaysia's future competitive edge.

9. This summit comes at a time when we are preparing strategic policies that will enable us to fulfill our aspirations while leveraging on existing developments such as the MSC. The government is currently preparing a knowledge economy master plan that will serve as a detailed blueprint on how we can best realise our vision. The master plan will necessarily go beyond looking at ICT and technology-related sectors. It will cover every aspect of our country's development from economic policies to education to social issues and the role of government.

10. We are under no illusions that the transition from a manufacturing based economy to a knowledge based, services dominated economy will be seamless. This is why in Malaysia we have harnessed the support and efforts of all sectors of society - the government, the private sector, the NGOs and the local communities - to contribute to this important economic and societal transformation.

Ladies and gentlemen,

11. The development of a knowledge economy that is able to reap the benefits of the digital age is propelled by the growth of the computer software industry. Software is an integral part of a knowledge economy. It is the tool that enables access to the hardware or structures that form the information superhighway, software supports and facilitates the commercial application of ICT - E-Commerce. Imagine a computer without software, imagine the internet without software, e-commerce, networking and the sharing of information cannot exist without software.

12. In recognising the importance of the digital and information age and e-commerce, it is equally important to recognise the part software plays. Malaysia views the development of a strong and vibrant software industry, globally and locally, as a necessary prerequisite to advancing our knowledge driven economy and national e-commerce agenda.

13. Without technological advances that can deliver better software, access to the reservoir of information on the internet is restricted. Without business-focused applications virtual interfaces between companies and consumers, and linkages between companies will be limited. Without the development of learning software, education will not benefit from the rapid development of ICT.

14. In today's digital era, software is indispensable. It drives our computers and allows us to collect, organise, access, analyse and share information on a scale and with efficiency not imagined 20 years ago. The importance of the software industry cannot be underestimated. To illustrate this point allow me to highlight a few figures.

15. On a global scale, software accounted for us\$133.9 billion in final sales for the year 1997. In the period of 1996-1997, the software industry accounted for 1.4 million jobs worldwide. In 1996, the software industry generated income for governments worldwide in the form of taxes to the tune of US \$28.2 billion.

16. Closer to home, from an Asean perspective, for the year 1996 the software industry generated economic activity to the sum of us\$2.1 billion, it created 4,597 jobs and accounted for us\$281 million in taxes paid.

17. In recognizing the value of software - in electronic commerce development and in real economic value -- we are all searching for means to better protect and promote the industry locally and globally. That is why the area of intellectual property protection is so critical.

18. The Malaysian Government fully recognises and supports the need for strong intellectual property protection of software to ensure a strong and vibrant software industry. This is done in part through the establishment of a solid policy framework to encourage the growth of these industries. The cornerstone of a strong software industry - creation and innovation - must be fostered through the protection of intellectual property rights.

19. It would be an understatement to say that the governments of Asia are committed to the reduction of software piracy in this region. Concerted efforts have been made, and will continue to be made, throughout the region to protect intellectual property rights. Malaysia's commitment to fighting piracy is incorporated into our government's bill of guarantees for MSC status companies in which we commit ourselves to becoming the regional leader in intellectual property protection and cyber laws.

20. In addition, we are implementing the agreement on trade related aspects of intellectual property rights (or TRIPS) under our WTO commitments to ensure better protection and enforcement of intellectual property rights. We see the implementation of TRIPS as an important step in promoting Malaysia as a global ICT hub. Without adequate protection of intellectual property rights, trade and investments and technology transfers will be adversely affected. The confidence generated by TRIPS can send a clear signal that Malaysia protects intellectual property. The implementation of TRIPS will also be equally beneficial to local intellectual property related industries. It will give them the protection to compete fairly, and innovate and create software for the international market.

21. The Malaysian cabinet has recently approved the tabling of the optical disc act in parliament which will strengthen and complement existing legislation, such as the copyright act, in the protection of intellectual property. The proposed act will inter alia impose stiffer punishment on violators of intellectual property and will give the relevant authorities greater regulatory powers such as confiscating equipment used to manufacture pirated goods.

22. The Malaysian Government is continuously looking at ways to strengthen intellectual property laws to eradicate piracy. We take pride in having a strong legislative framework that includes pioneer cyber laws that facilitate the development of ICT. These include the multimedia and communications act, the digital signatures act and the computer crimes act.

23. It goes without saying, however, that legislation alone is not sufficient in combating piracy. Laws may be enacted that call for stiff punishment to be meted out on violators of intellectual property rights. But if these laws are not enforced, piracy will continue to thrive and, consequently, damage the economy in general. Therefore, national strategies to combat piracy must focus on enforcement, without which the arm of the law cannot extend to protect intellectual property.

24. In Malaysia a special copyright task force was set up on 26th of march 1999 to strengthen our efforts to combat piracy. The efficacy of the taskforce has been encouraging: from 1st april 1999 to 31st march 2000, 12,174 premises have been checked for pirated software, music cds and video cds. The taskforces activities have resulted in 3,178 cases of piracy and seizures of pirated goods worth RM 8 million.

25. In addition to tougher enforcement initiatives, consumers must be reminded that as end-users of pirated goods, they contribute to the violation of intellectual property rights. Countries that are serious in tackling piracy must educate consumers so that end-users realise that by purchasing pirated material they facilitate the contravention of law. Consumers must be aware that software, vcds and cds are property, and that piracy constitutes theft of this intellectual property.

26. Therefore, while it is the objective of the Malaysian Government to reduce piracy to a minimum level with the eventual aim of eradicating it completely, the initiative and responsibility must be shared by the authorities and the public. Piracy must not only be seen as a crime, but also as something detrimental to the development of a successful local software industry.

Ladies and gentlemen,

27. Should all of us here today continue with our efforts in protecting intellectual property rights in our fight against piracy, the gains in terms of economic growth will be tremendous. For example, if software piracy in this region can be reduced by 27% in 2001, US\$10 billion will be generated in terms of economic activity, 46,706 jobs will be created and US\$1.3 billion in taxes will be paid.

28. In order to ensure a strong and vibrant software industry, it is necessary to develop facilitating policies to promote the industry. Governments must therefore become the trendsetters and policy leaders in this regard. The Malaysian Government recognises this and is fully committed to developing and enforcing policies that will promote the software industry both locally and globally. This is why proper software asset management by all organisations is important.

29. Governments, as information organisations, are especially dependent on software and must practise good software asset management. Legitimate software use by governments will, therefore, encourage the private sector to follow suit, leading to the growth of the domestic software industry which creates jobs and generates revenues. Software management is critical to maximising the benefit of government investment in information technology resources.

30. It is also important for governments to establish electronic commerce regulatory frameworks that will promote information technology growth. In the new and exciting world of electronic commerce, legislation and policy making is a daunting task. Establishing a regulatory framework that fosters creativity will indeed be challenging. The borderless and faceless nature of the internet means electronic thieves can hide in markets with little or no on-line content protection. If governments fail to provide adequate protection, a critical element of e-commerce development is at risk.

31. For our part, Malaysia is currently drafting a national e-commerce masterplan to complement the k- economy masterplan and other national ICT initiatives. The policy and regulatory framework envisioned in the masterplan will focus on intellectual property rights, commercial codes and consumer protection. This will ensure the creation of a transparent regulatory environment that will be safe and secure for businesses and consumers.

32. In addition, regulatory frameworks must facilitate healthy competition in the software industry. Without competition, creativity and innovation will be stifled. A dynamic software industry needs to produce the best applications at the most competitive prices. The benefits from competition will be reaped by the consumers themselves who will enjoy more up-to-date and technologically advanced applications.

Ladies and gentlemen,

33. In our collective march towards creating better technologies to access information and communicate with one another, we must be aware of the growing global digital divide. The playing fields of the digital era can only be leveled if access is universal. Without access to information through ICT, developing countries, in particular, will not enjoy the benefits of a global knowledge economy. Without connectivity to the internet, developing countries will be further disenfranchised from the global ICT revolution.

34. The creation of a knowledge society will depend on access to information. Access, in turn, depends on various factors such telecommunications infrastructure roll-out, availability of hardware, ICT education and socio-economic development in general.

35. Software also plays a critical role in providing access to the wealth of information that is being communicated and disseminated on the internet. Software enables people to utilise information for their needs and can be used as a tool to navigate through countless books, periodicals, articles and journals. Software can empower citizens of the developing world.

36. The software industry must therefore see their responsibility in light of this digital divide. The industry must work closely with governments to ensure that software is relevant, affordable and user friendly. In the context of the developing world, software must be an enabler for people to equip themselves with knowledge that has hitherto been difficult to access. I hope the software industry will take this moral responsibility seriously for the benefit of a truly global development in ICT.

Ladies and gentlemen,

37. The growth of the software industry in this region, and in Malaysia, is vital to the success of our respective knowledge economies. I hope that the discussions you have at this summit will translate to concrete plans of action to further develop the software industry. I am personally looking forward to sitting down with the software industry in Malaysia to areas in which we can cooperate, especially in terms of intellectual property rights protection and software pricing.

38. The Malaysian Government is proud to co-host this summit with business software alliance and we hope that this summit will be of benefit to all those committed to the continued growth of the software industry.

39. You are privileged to have among your speakers, the world's leading authorities on the subject. I encourage you to think creatively, to discuss these issues openly, and to work together to develop an agenda for the way forward in this critical area.

Thank you.