

THE INFOTECH MALAYSIA `96

MERDEKA HALL, PUTRA WORLD TRADE CENTRE, 19 DECEMBER 1996

Let me first welcome all of you to INFOTECH Malaysia `96, which is an annual dialogue with the planners, developers, and implementors of Information Technology (IT) applications. The discussions at this dialogue hopefully will form the basis for formulating an integrated IT agenda for the country.

2. Since the 1970s, Malaysia has been involved in the global electrical and electronics (E&E) industry and it is today the largest export sector of the nation. Nevertheless, the development of the E&E sector has been primarily driven by MNCs and the local value-added content of the exports remains marginal. Most of the local value-added has come mainly from testing and assembly operations with little or no national focus on finished products. Similarly, the computerisation effort within both the public and private sectors has also developed only the hardware infrastructure or technology acquisition capability, with limited work on software or content development and customisation. As a result, today, the national capability in information technology design and development is still rather limited. The bottom-up approach to IT development has obviously not resulted in much technology transfer in terms of indigenous design capability either in production of IT related products or even in the development of IT applications. With the convergence of computing, telecommunications and broadcasting in the multimedia industry, it is now imperative that we develop our own socio-technical capability for a smoother transition into the information age.

3. This reengineering of the national capability must first of all begin with a more determined top-down leadership in the development of IT applications. It is equally important that the new approach brings about radical changes in the shape, structure and quality of relationships among the key players. IT and the knowledge-based industries must be able to generate a new impetus for change and growth. The information age demands that second wave technologies be transformed into new industrial structures associated with what are today called `webs*.

4. The Government, through the National Information Technology Council (NITC), has therefore assumed the role of providing the necessary leadership for the development of IT in Malaysia. The NITC is a partnership of public-private sector captains formed in 1994 to discuss, deliberate and articulate the IT Agenda for the nation. The MSC is one direct, clear and strategic outcome from the NITC deliberations. The MSC is a conscious national attempt at developing multimedia applications within the designated area. The MSC will also leverage the transformation of the rest of the country into the information age and the digital economy. Such a transformation will involve every sphere of life, whether social, political, economic, cultural, intellectual or psychological. The scope must also extend to the entire nation and improve the total quality of life for all Malaysians.

5. The MSC will begin with the development of eight flagship multimedia applications to propel Malaysia into the information age. The improved

connection through better telecommunications capability within the MSC would also allow the rest of the country and the world to participate in its development. For instance, one of the flagship applications within the MSC is the development of an R&D cluster. In fact, through the MSC the person should even be able to collaborate with R&D centres around the world to undertake research. That is exactly our vision for the MSC: by investing in the hard and soft infrastructure necessary for multimedia applications, we will make it possible to create a truly borderless community within and through the MSC. Through this borderless research concept, the researcher should for example be able to undertake concurrent design engineering of a new car engine in collaboration with partners in France or the United Kingdom without even leaving his office.

6. Apart from the leadership and the technology push provided through the MSC, the real challenge will also be the creation of the demand pull for high quality IT services by the rest of the country. Such a demand pull will make the MSC Flagship applications even more meaningful. Therefore, while the MSC becomes the focus of our effort, the rest of the country, be it industry or R&D institution or Government agencies, must also contribute directly to the success of the MSC. The successful development of the MSC is fundamentally linked to the preparedness of the rest of the nation to usher in the information age.

7. The 'internet-worked' electronic global village today offers us many lessons about the speed and influence of the information explosion. This explosion, if carefully applied to national and local problem resolution, can actually create the demand pull for service applications within the MSC. Through the power of information networking, our school children can do research through electronic libraries accessible via the Internet. Consumers will be able to pay their taxes and dues via the internet to local authorities. Soon, even the electoral process may use electronic means to determine governments. The Internet as an early signal of the information age has already begun its revolutionary impact.

8. Vision 2020 calls for the building of a developed nation in our own mould. The mission of the IT Agenda must therefore be to nurture a knowledge society premised on our own history, tradition, culture and development experiences. This knowledge society must also become a civil society. The transition from merely accessing information to infusing knowledge and becoming a civilisation is subtle but critical. The creation of a civil society will be the ultimate vision of the IT Agenda.

9. A civil society of the future must be a society where the wise rule and the people actively participate in determining their destiny. The ownership of knowledge may be less privatised and personalised but will become trusteeships of civil property. The pursuit and application of knowledge will continue for the personal and public good. Electronic governance may help realise the ideals of a participative democracy with greater transparency. One cornerstone of civility will remain the notion of human dignity. The right of individuals against poverty and starvation is also a basic and an inalienable human right. This is our notion of a genuinely caring society, one which is duty-bound to take care of the interests of

everyone in society.

10. Many civilisations in the past have attempted to develop the civil society. Yet most have failed. Some are still carrying on with their experiments. Therefore, in our desire and enthusiasm of becoming a knowledge society, we must keep in context a few key issues related to the downside of the IT and the Internet-driven transformation.

11. The information age also brings with it concomitant problems and challenges. In the old days when something happened somewhere it took time for others to hear about it. Today news travels almost instantly. Distant truth is almost virtual reality. In such a context, one of the effects of the decentralisation of the medium and the messages is a loss of control over events. The Government alone will no longer be able to control content once it is processed through the electronic media. Therefore, censorship and control of content becomes a serious issue. Censorship may not remain administratively the sole responsibility of public agencies. It may have to be transferred to all societal organisations and institutions. As a result, the family unit and the school in particular, the corporation and the community will have to undertake responsibility for censorship and the strengthening of values in the information age.

12. From the national perspective, the use and application of information technology must lead to a better quality of life for all Malaysians. The two issues of equity and universal access will continue to remain key issues in our multi-racial, multi-religious society. The application of IT must consider how to improve the quality of life for all Malaysians, whether urban or rural. Our vision of creating a developed nation by 2020 includes the challenges of ensuring an economically just society, a fully caring society, and a mature, liberal and tolerant society. The IT Agenda must consciously seek to address these socio-economic issues as well.

13. From the international perspective, the IT Agenda clearly places our national aspirations at the centre of the global technology, trade and investment context. The real challenge is to ensure that IT related investments produce not only profits for the investors but also result in Malaysians moving from being mere consumers to producers and innovators of technology. Malaysians must attempt to become new service providers through leveraging on IT. Therefore, priority is no more assigned merely to the quantity but quality of investments which Malaysia attracts and the degree to which indigenous technology and domestic partners contribute to value-added activities. We hope that the MSC can be viewed as an IT framework for smart partnerships.

14. With the MSC we are actually creating an investment haven in the middle of palm oil plantations to usher in the third wave of information and knowledge industries. Would this create dysfunctions within the nation? Would the initiative crowd out the locals? Is it giving unfair advantage to technology owners? Would it destroy and pollute our environment? These are all valid questions but they may beg the issue of who we really are.

15. Having initiated a ripple effect through the MSC for the IT Agenda, the greatest challenge facing the MSC and the nation is content creation. Content creation will determine the substance and success of the IT Agenda of turning the ripples into tidal waves of change and transformation. The IT Agenda would have a three-pronged strategy with a clear mission of building a Knowledge Society. The foundational strategy remains that of building and developing the appropriate physical infrastructure and infostructure. The second strategy would be the creation and development of enrichment systems or IT- based applications that are demand driven. Again, the MSC's eight flagship applications provide an opportunity for both participation and learning. We are negotiating for the support and assistance of some of the best companies in the world to share their technology and know-how with us. These companies are also looking for a platform to test their products and ideas. When they come, the Multimedia Development Corporation (MDC) will ensure that they will cooperate with locals to create smart partnerships because we are creating some of the best platforms in the world for such multimedia applications. Again, multiple opportunities are available for local entrepreneurs to collaborate on the development of new applications.

16. The third strategy of the IT Agenda will remain the human development effort. Both individuals and groups have to acculturate themselves to deal with ` intelligent' or ` smart' systems while still remaining smarter than the systems or applications they help create. The human development effort would involve all educational and training systems, whether formal or informal, from the primary to the tertiary and continuing education systems.

17. Through the MSC, I believe, we have jump started a process for change, particularly the legal framework for IT as an accepted medium for business and commerce. The Bills for three of the Cyber Laws will be tabled in Parliament at its next sitting early next year. The success of all these new initiatives is dependent on people being ready to adapt and adopt to the changes. Knowledge workers can drive the change process especially in creating demand-driven content and developing the applications. The education and acculturation process must finally lead to complete transformation of both society and individuals.

18. The Government has set the target of beginning the Electronic Government project with the Prime Minister's office. Beginning with this Department, the Government will become the role model. This provides not only business opportunities for the private sector but also a conceptual challenge to all public servants. The aim of electronic governance is to improve the efficiency and effectiveness of government services. The Federal Government will begin with Putrajaya. I believe this can be a key impetus for nationwide transformation of government services.

19. This Conference through the different Panel discussions will generate alternative views on how we can proceed. We hope that the dialogue framework we have created would give opportunities for everyone to feel included. Even this

process is an evolving one and we will improve as we move along. As the adage goes, the IT Agenda is not merely a destination but a journey that Malaysians need to travel together. There will be some key challenges that the delegates may want to address within the IT Agenda. These include: - While developing and defining a civil minimum for IT access and capability, how does one balance between the rights and duties of individuals, and that of society and the environment?

- In ensuring the regional distribution of IT and knowledge based industries, how do we ensure that resource allocation policies continue to offset infrastructure limitations already present in certain regions?

- What new opportunities are offered through the convergence of IT and telecommunications technologies to reentranchise to include the different disadvantaged groups into the mainstream of development.

- What indicators and evaluation systems can we put in place to ensure the move from an Information to a Knowledge Society and ultimately to a Civil Society.

20. The MSC is our own bold new initiative to turn IT ripples into waves of change. The MSC flagship applications are designed to mobilise the total resources of the nation. This will however take place only if the nation as a whole commits itself to becoming a knowledge society.

21. On that note, I declare this Second Annual INFOTECH Malaysia Conference and the ITX open.