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Malaysia has been very fortunate to experience rapid growth in recent years. Our continued economic and social progress has contributed to the overall stability and prosperity of the country.

2. Now that we are at the threshold of the Seventh Plan, the time is opportune to review our strategies. Their relevance and effectiveness in achieving national objectives and targets must be assessed. This is particularly critical in the light of rapid technological changes, both nationally and internationally.

3. Sustaining growth in the increasingly competitive world economic order will be our major challenge. This is because 85 percent of the world's wealth is still shared among the richest 20 percent. Among other things, this is due to the fact that capital and technological resources are still under the control of industrialised countries.

4. Economic competition and political restructuring are now being reinforced by the combined effects of a new factor: the digital economy and the borderless world. Information technology or IT, integrating the power of computers and telecommunication, is providing easy access to information: to anyone, at any time, in any place and in any form. Unfettered information flow across boundaries, in real time without regard for distances while providing new opportunities, can also be a threat to the well-being of countries politically, economically and socially.

5. However IT is more than just a new technology. It involves a fundamental shift in the way we think and function. The demand for IT products and systems stems from the need to increase efficiency and productivity in a competitive world. We have learnt that first by automating, and then lately by transforming work processes, we can gain a quantum jump in productivity. Socially, people have discovered the utility of instant global communication. A fundamental psychological need is being fulfilled and at the same time the floodgates to enhanced intellectual interchange have been opened.

6. The knowledge society is therefore not merely a new manifestation of technological inventiveness. It marks the rise of information and knowledge as new parameters in

economic advancement and social progress. The essence of the knowledge society lies in its contents. The key human skills are cognitive, mental and intellectual. Thus human resources become the ultimate resource for any nation.

7. The application of IT in all critical areas has been promoted in this country for many years. As a corollary, the electronics industry has become one of the major manufacturing activities, contributing about 25 percent to our GDP. Use of IT in both the public and private sectors has been encouraged, resulting in per capita expenditure on IT becoming one of the highest among developing countries. In the mid-80s we also deregulated the telecommunications industry by privatising the Telecoms Department. We have now gone one step further by introducing competition in the telecommunications business. More importantly education and training in IT has been vastly expanded through encouraging local institutions to venture into new areas and by stimulating the growth of private educational institutions. Additional human resources possessing new skills have been produced, even though we still do not have enough.

8. In the past we facilitated the development and application of IT through the bottom-up approach. This is a necessary phase to enable people to experiment and experience, to learn and to gain expertise. Lately we have decided that the bottom-up approach has to be complemented by the top-down policy planning and management scheme as well. The formation of the National IT Council is geared towards the establishment of national policy imperatives which will propel us into the Information Age. We need to know the priorities in order to optimise the use of resources available. Key industries, their main players and the related success factors have to be understood. Critical applications in economic and social development have to be identified and implemented. Top-down policy planning and management therefore serves to steer the national IT programme towards achieving our development objectives more efficiently.

9. Already we have embarked on an ambitious programme to establish a Multimedia Super Corridor (MSC) in Malaysia. This corridor stretches all the way from Kuala Lumpur to the new KL International Airport in Sepang, encompassing an area of about 15 kilometers wide and 40 kilometers long. This corridor will not only house the new KLIA with the most advanced Total Airport Management System (TAMS), but also the new government centre of Putrajaya, which is being planned to be an Intelligent City.

10. The objective of the MSC is to showcase the development and application of multimedia in industry and business as well as for life and work in general. Software, hardware and systems companies in the computer, telecommunication and broadcasting industries will be attracted to locate their operations in the MSC. Businesses integrating both the print and electronic media, including publishing,

information services, broadcasting and movie industries will be prioritised. World class companies in these business areas will be invited and local companies encouraged to become their business partners.

11. In order to attract these companies the best infrastructure will be provided. A network of highways criss-crossing the MSC is already being implemented. To complement the highways, there will be a Light Rail Transit (LRT) as well as an Express Rail Link (ERL). These links will provide rapid and efficient transport between the major centres such as the airport, Putrajaya and the ports, and of course, to the rest of the country. The electronic superhighway will also be in place. Broadband telecommunications is already being implemented through fibre optic transmission, synchronous digital hierarchy (SDH) and satellite links.

12. Multimedia cities will be created in the MSC catering to various industries. Around the KLIA the Airport City will facilitate and synergise air travel. This city will not only cater to the needs of passenger and freight air transport businesses but also integrate passenger transport with the travel and tourist business globally.

13. The needs of IT in government will spawn another major area of business activity. Putrajaya will see the creation of new kinds of government services made possible through IT and multimedia. Higher levels of efficiency and productivity will be achieved by using IT to transform the internal operations and processes of government agencies. Services offered to the public will also be reengineered such that the clients will be able to interact directly with public servants through electronic means and in some cases even avail themselves of the services by direct interaction with intelligent and automatic IT systems.

14. The MSC will fulfill four primary objectives. First, it will demonstrate the effectiveness of multimedia in increasing the efficiency and productivity in the production and delivery of goods and services in both the public and private sector. Second, it will introduce a new supply and demand spiral for the multimedia industry located in Malaysia for the world market. Third, it will add value to the infrastructure already put in place in the MSC, including KLIA, Putrajaya, the transport network and the electronic superhighway. Fourth, Putrajaya will stimulate the growth of electronic governance: one that is more open, transparent, responsive and entrepreneurial; in short more suited to the Information Age.

15. The viability of the MSC concept has been accepted, both by the government as well as by many companies we have interacted with. Multimedia, its coordination and development, including the proposed Multimedia Development Corporation will be placed under the Prime Minister's Department. Coordination is necessary as multimedia touches

upon many kinds of information infrastructure and information content. The MDC will be the master planner and strategic arm for the creation of the MSC. It will also promote the MSC throughout the world in order to attract the best companies to work with us.

16. These new initiatives will not be possible without strong economy and political stability. Although we have done rather well in the manufacturing industry, we should now look at the services sector, particularly those services that are information-intensive with high value added.

17. As for the MSC itself, having state-of-the-art technology at hand will mean nothing if we do not prepare ourselves to apply it. There is a need for a more balanced approach to IT development and application. We should not view IT and multimedia merely as technological artifacts. Rather there should exist a more harmonious balance between the technological imperatives and the social needs of society.

18. Towards this end, five key principles must be considered:-

First, the technology push through rapid advances should be balanced by the social pull represented by the economic, social and cultural needs of the people. The proper application of IT requires the creation of socio-technical systems which must meet social objectives.

Second, our Information Superhighway should be equally balanced between technological sophistication and the efficacy of the information content.

Third, while the government can take the lead by forming new strategies and facilitating their implementation, the private sector must play its part. Malaysian companies must be more innovative and creative by venturing into the multimedia industry.

Fourth, there should be greater focus on transformation as opposed to automation. Knowing that IT has the potential of transforming organisational structures, we should reengineer our processes to gain even higher benefits from IT investment.

Fifth, we need to reemphasise the importance of human resources in realising these aspirations.

19. Many kinds of balance must be achieved. Not only must people gain competence and literacy in IT, they must also know their specialised areas well, so that they may be able to reengineer the necessary work processes. At the same time, knowledge and skills must be balanced with the right values and attitudes towards information and knowledge so that they will create the required culture in the work

environment.

20. Malaysia has reached a crossroad in its economic development. The choice seems to be clear: the need to embark on a programme to apply multimedia more intensively in business and in society at large. The MSC is a major initiative in this direction. The synergies created will bring into sharp focus the key success factors and the problems that may arise.

21. I am confident that Infotech Malaysia 95 will set a new trend in discussions on IT by highlighting the critical components of our IT policy. I wish everybody a fruitful deliberation.

22. On this note, I declare this Infotech '95 Conference open.