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Investor on the MSC

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Fist, let me thank the Stanford University for inviting me to address you today. In this audience, I see both the present and future shapers of the Information Age. The present is represented by the leadership of many of the area's most dynamic content and high technology companies; the future by the university students who will provide the future leadership of the private and public sectors.

I think it is especially appropriate that we are all together today to discuss a practical proposal I have to achieve the full promise of the Information Age. I have come here to the global cradle of Information Technology to share a vision of building a bridge between peoples and places, to connect your creativity and entrepreneurship with a very special environment we are creating in Malaysia. By doing so, we can reap rewards together~ ~that neither of us would be able to develop alone."

The Information Age has created conditions for the first time in history that will enable countries and companies to mutually enrich one another - it is no longer a zero sum game with winners and losers. This is a tremendous opportunity for those companies and countries with the courage to embrace these changes. For a limited time, there will be a relatively level playing field where developed and developing countries can work together in ways that create benefits for both. This is because many of the healthier d~eveloped countries are locked into obsolete industrial structures and legislative frameworks and vested interests in these systems stubbornly oppose any change. Fortunately, these corporate interests have not had time to develop and become powerful in developing countries like Malaysia.

The MSC is the first place in the world to bring together all the elements needed to create the kind of environment to engender this mutual enrichment. I see the MSC as a multicultural 'web' of mutually dependent international and Malaysian companies collaborating to deliver new products and services to customers across an economically vibrant Asia and the world. I fully expect that this 'web' will extend beyond Malaysia's borders and our across Malaysia's multicultural links to our neighbours. Component manufacturing can then be done in China, on machines programmed from Japan, with software written in India and financing coming from Malaysia's Labuan international Offshore Financial Centre. The product may be assembled in Penang and shipped to global customers direct through our new airport.

Malaysian companies are already working with world-class international companies and technology transfer is taking place. Moreover, companies and neighbouring countries are benefiting as well as because parts of the product are produced in other locations. The consumer benefits most of all because they get top quality products at the best possible price. In short, all parties touched by this 'web' will benefit and are enriched through their contribution to it.

Phase I of establishing the MSC will be complete when the MSC is home to hundreds of large and small companies working collaboratively with one another and with partners across the Asia-Pacific region and the world. Some of these companies will certainly be today's leaders. Many others will be the smaller companies which are members of each of these companies 'web'. Hopefully, a few of tomorrow's leaders will be from Malaysia with new products and services in the MSC. I like multimedia because the most successful companies are those which collaborate with many partners and truly transfer technology to them - not out of charity but out of collective self-interest. These companies know that they cannot stay at the leading edge if they try and do everything themselves. They realise that a web of smaller companies working to common standards can deliver more benefits to the consumer. I hope to see some multicultural Malaysian companies alongside international companies thus mutually strengthening the capabilities of both.

Phase 2 of linking the MSC with other islands of excellence will be complete when the MSC becomes far more than a business development. By then, the MSC will be a global community living at the leading edge of the Information Society. Citizen's smart homes will be connected to a network through which they can shop, receive information, be entertained, interact with one another, and educate themselves. Phase 3 of leapfrogging all of Malaysia into the Information Age will be complete when the entire country is living and working in these new ways. Of course when they grow tired of all these new tangled things they can enjoy the pristine environment which we have preserved in Malaysia.

To achieve this vision, I think it is important to define a path that leads to it. By 2000, I expect to see seven specific applications being developed in the MSC by 'webs' of international and Malaysian companies:

First, Malaysia will be a pioneer in electronic Government. This will be a multimedia-networked paperless administration linking Putrajaya to Government centres around the country to facilitate interGovernmental collaboration and citizen access to Government services. It will start with the Prime Minister's office when it moves to Putrajaya in 1998 and roll out across to other ministries as they relocate.

Second, Malaysia will have the world's first national multipurpose smart card. A single platform will have the individual's ID and electronic signature and access to Government, banking, credit, telephone, transport and club services. Of course, security will be critical but the technology is, I believe, already here to enable all of these services to be on one secure platform. Imagine the convenience as we are freed from having to carry a huge pack of plastic cards and selecting one every time we need to use a card. Imagine the opportunity for companies of having no uncertainty that this one card will be in the hands of every Malaysian.

Third, Malaysia will have a comprehensive programme for smart-schools. All schools will be connected to the Internet. A new curriculum is being developed, and our teachers will be retrained so they can work with technology to do far more than convey knowledge in the traditional way. World-class distance learning facilities will be built at the Multimedia University and we hope to hold virtual classes with teachers and students

in other universities around the world. We will use our schools to help students learn the judgement and skills required to choose between the overwhelming amount of information that will be available to them.

Fourth, I hope the MSC will become a collaborative cluster of academic and corporate R&D centre, using distance learning to produce world class graduates and next-generation innovations. Multimedia University will be the centre for this, and I would like to invite faculty and students from Stranford University to help develop our new institution in Malaysia through exchanges of students and faculty. I would also like to invite companies interested in partnering with Multimedia University to contact us. This university will have close links to MSC companies to ensure it will produce graduates with the right skills.

Fifth, Malaysia will be a regional centre for telemedicine. With our Chinese, Ayurvedic, Malay and Western medical knowledge and vast biogenetic resources, we are a natural hub. Rural clinics can be connected to medical experts from Malaysia and to the great clinics world-wide using new tele-instruments for remote diagnosis, therapy, or even surgery. The doctor no longer has to be in the same room as the patient and our new cyberlaws will make this legal. Key information can be transmitted using new instruments such as electronic stethoscopes operated by nurses or technicians. This can be viewed and compared with other patients by the world's best doctors and the data on millions of patients already in one world's computers.

Sixth, I hope the MSC will be a remote manufactring coordination and engineering support ~web that electronically enables companies in high cost countries to access plants across Malaysia and Asia as virtual extensions of their domestic operations. While we have real strengths in manufacturing, we recognize the need for ~companies to operate a network of facilities around ~region.

Seventh, the MSC should become a marketing and multimedia customer service hub to provide electronic publishing, content localization, telemarketing and remote customer care to a market of 2.5 billion people. For example, a Japanese company's catalogue can be translated into Chinese or Bahusa Malaysia/Indonesia or Indian languages by a company that takes orders through a system that automatically localizes the sizes and currencies.

Over time, each of these Flagship Applications will generate a web of world-class and Malaysian companies collaborating to develop and deliver innovative products and services. They will take root and grow in an environment that provides the required lifestyle, infrastructure, laws, and policies. Equally important, I expect links will develop which will connect each of these webs together into one large MSC web. Indeed, it is these links which will allow the MSC to sustain it's competitiveness over time. Malaysia is a country with a vision and a strategy to achieve the vision called Vision 2020. Our goal is to attain developed country status by the year 2020. These interlinked webs will allow us to achieve the goals of Vision 2020 by developing a strong services sector to balance our already strong manufacturing sector while helping to improve the productivity and quality of life in the nation. Equally important, the MSC Will provide a platform to tie us together and celebrate our culture while helping to educate us in new and different ways.

Beyond Malaysia, the MSC becomes a global bridge when its web is interlinked with those of other regions around the world. This bridge will, I hope, connect with the digital entertainment community in Hollywood and to the high-tech companies in Silicon Valley. For example, storyboards can be developed in California but animation be executed in the MSC, electronically transmitted back to LA for editing, sent back to the MSC for colour-balancing, and then transmitted to the studio for final approval and distribution. Let us explore ways to mutually enrich our companies and countries through this gift being provided by Malaysia.

The breadth of what I am describing has probably never been attempted anywhere else in the world. You may be thinking, 'Why Malaysia?'

First, Malaysia's physical location at the centre of ASEAN and its multicultural links with the biggest Asian markets is unique. The Malaysians are made up of people of Malay, Indonesian, Indian and Chinese origin. We are only a few hours flight from the major Asian capitals. We have language skills and cultural knowledge that can be very helpful. Most people speak English as well as one or more languages such as different Chinese or Indian dialects, or Malay. With the new airport and communications infrastructure being built, Malaysia will be a highly efficient and effective hub for the region.

Second, Malaysia still has a cost advantage as compared to the 'tigers' in the region. In fact, a recent study ~done by international consultants on the cost of going business in Malaysia indicated it is among the most competitive in the ASEAN region. To sustain this the Government will continue to provide the enabling environment. Our people are among the most productive in Asia.

Third, the newness of multimedia to Malaysia provides an important advantage ~ we have no inherited systems or entrenched interests determined to defend their current positions. We have the political will' and the power to rapidly change any existing laws or policies that impede the ability of companies to capitalise on the benefits afforded by the information Age. We will not be diverted by excessive politicking in Malaysia. In Malaysia things that need to be done will be done quickly unobstructed by corruption.

Finally, we are highly committed to making the MSC a success and we have a track record of meeting our commitments. We are a pragmatic Government which has consistently proven our critics wrong even when we adopt unconventional policies and strategies. Malaysia's history since independence has shown consistency and predictability so that long term investment will not be threatened by the twists and turns of volatile local politics. The Malaysian Government sees multimedia as the strategic sector to achieve our Vision 2020, the attainment of developed country status through productivity-led growth, and the MSC is at the leading edge of this key sector. Consequently, we simply cannot and will not allow the MSC to fail.

We have been very busy over the last two years working with leading companies such as NTT to understand the future needs of world class companies. McKinsey & Company has interviewed hundreds of companies to understand their requirements and is working with us to learn lessons from the experience of other countries.

To ensure that the MSC will not fail. Malaysia is offering a ten point Multimedia Bill Guarantees. The Government of Malaysia formally commits the following to receiving MSC Status from the Development Corporation:

Malaysia will provide a world- class physical and information infrastructure;

Malaysia will allow unrestricted employment of knowledge workers from from overseas;

Malaysia will ensure freedom of ownership of the companies;

Malaysia will allow freedom of sourcing capital globally for MSC infrastructure and freedom of borrowing funds;

Malaysia will provide Competitive financial incentives including no income tax or allowance for up to ten years, and no duties on the import of multimedia equipment.

The MSC will become a regional leader in intellectual property protection and cyberlaws;

Malaysia will ensure no censorship of the Internet.

The MSC will offer globally competitive telecom tariffs.

Malaysia will tender key MSC infrastructure contracts to Reading companies to use the MSC as their regional hub; and

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Malaysia will ensure that the newly established MDC, high powered implementation agency, will act as an effective 'one-stop shop' to meet company needs.

These companies must be providers/heavy user of multimedia/IT products and services and employ a substantial number of knowledge workers. The Multimedia Development Corporation is registering interested companies be taking formal applications for companies seeking 'MSC Status' in March. In seeking world class companies, the s~o seeking world class employees to help it build the MSC.

To the students, I invite you to submit your resumes to the MDC and fall out the employment application on its website. There are opportunities at its ten worldwide offices and at headquarters in Malaysia. To the companies, I welcome your participation and input. We need your vision, creativity, entrepreneurship, and skill to give life to the MSC. To the international community, we offer you a perfect environment to try and find solutions to-some tough questions whose answers must cross borders:

(a) How will value that is collaboratively created in several countries but sold in another be taxed?;

(b) How can intellectual property rights of knowledge-based products and services be defined and protected?;

(c) How can responsibility for the accuracy and integrity of information on the Internet be ensured? and finally, how can society be protected from new forms of fraud, counterfeiting piracy, and viral attacks on the systems that run companies or even countries? In Malaysia, we are looking at the possibility of creating a new Cyber-Court of Justice as an international centre to look into these issues.

We may sound very ambitious for a small country, but America itself was a small country in the 19th Century. At that time, England launched the Industrial Revolution but America won it. Why? Because the technology could be moved to an environment much more conducive to realizing its full potential. Malaysia has come late to industrialization, and this has given us the will and skill to make sweeping changes that others cannot because we have much less to lose. The MSC provides all the critical components required to create the perfect environment to achieve the promise of the Information Age. Today, it is much easier to move technology and knowledge than it was 100 years ago. This is why we believe we can build the global bridge needed to move beyond the limits of the Industrial Age. While I may be an optimist, I believe this path to prosperity will be chosen over the alternative of hegemony and win-lose economic relationships. The globalising and harmonizing forces of the Information Age will prevent a clash of civilizations or the Century of Asia. It will create the World Century, the true Commonwealth of the world.

We hope you will become our partners in this exciting endeavor to build a bridge to the promise of the Information Age. The Multimedia Super Corridor cannot succeed alone, or we will have an island instead of a bridge for the global aspirations, capabilities and vision of many leading edge companies who are prepared to collaborate in a new environment. We hope you will join us in constructing an enduring bridge into the Information Age and realise the promise of the upcoming World Century.

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