

SPEECH BY: DATO' SERI DR MAHATHIR BIN MOHAMAD
(PRIME MINISTER)

EVENT: THE OPENING OF THE 40TH MEETING OF THE COMMONWEALTH
TELECOMMUNICATIONS COUNCIL

VENUE: MANDARIN ORIENTAL HOTEL KLCC

DATE : 06 NOV 2000

TIME :

May I firstly extend a warm welcome to all delegates from the Commonwealth countries by saying "selamat datang".

2. I would also like to thank the Conference Organisers for inviting me to officiate at the opening of the 40th Meeting of the Commonwealth Telecommunications Council.

3. I understand that while the Council is the governing body of the Commonwealth Telecommunications Organisation (CTO), it is also a key forum for deliberating on important issues in telecommunications policy, business and technology. This is the second time that Malaysia is hosting the Annual CTO Council Meeting, the last time being held in 1990 when it hosted the 30th Meeting of the Council.

4. There is no industry which is as furiously as science and technology driven as the telecommunications industry. So fast has technology grown up and expanded that both the telecom's people and people in related and unrelated industries are quite breathless in trying to apply the technological capabilities and potentials of the newer and newer technology. And now wireless is everything. It is going to replace cables, outdo cables and out-price cables. And we haven't even begun to fully use cable telecommunication. Technology is really pushing us faster than we can utilise it. And it seems that we are only at the beginning.

5. Because of the speed of technological improvements, today's application may become out of date a few months later. Thus the Iridium. It sounded so logical when it was being promoted. To be able to phone anywhere in the world with a portable handset even if you are in the Arctic or Antarctic or in the middle of the Sahara Desert sounded fantastic. It meant that you can go anywhere and everywhere in the world and still can phone home.

6. And so the sixty or so low-orbit satellites were launched at tremendous cost. In the meanwhile wireless cellular technology was improving all the time. Roaming capacities extended enormously the area which can be reached by cellular phones. More new technologies were being introduced all the time and everyone can phone anyone anywhere except from the North or South Poles or the vast deserts. It suddenly dawned on everyone that they would hardly ever be phoning from these out-of-the-way places. They would be phoning from where cellular antennas are within reach and then on by satellite, or ground lines. Why do they need to have a relatively heavy expensive portable phone (too big for the pocket) when small, cheap cellular phones can do about everything the iridium can do and more?

7. And so billions of Dollars worth of investments were lost because technology had moved faster than application. The same can be said of optic fibre. As an enormously increasing number of signals are made to travel along each fibre at practically the same time, the myriad of fibre to cater for the expected increase in the number of calls in a given time becomes redundant. It is of course possible that new technology will make fibre optics useful again. And so we go on.

8. The rapid advance of technology also creates difficulties for Governments and politicians. They don't understand the technology and suspect that they are being taken for a ride. They feel that Government must control and license telecommunication companies and limit their numbers. The investments involved are very big and it is likely that many would fail, with serious consequences for investors, employees and also the Government.

9. But telecom companies dislike licensing unless of course they have already been licensed and newcomers are excluded. However the earlier ones may be stuck with expensive old technology which they plan to use and get a return on their investments. New technologies, we are told are cheaper and more efficient as well as lending to wider applications. Not to use them would make a country backward in terms of communication and business. And so new companies come up with proposals for state-of-the-art application since the old companies are not too keen.

10. The Government will then be faced with a dilemma. To reject new technology will be bad, to accept can cause a lot of losses for large old companies.

11. New technologies offer faster speed and a variety of new application, which can increase the productivity of a country. Rejecting or even delaying new technologies will reduce the competitiveness of a country's economy. With E-commerce and the K-economy

demanding ever faster communication, the country cannot afford to delay or reject the new technologies. Besides there is the problem of convergence. It is no longer practical to separate communication from broadcasting, even less between telephony, faxing and internet transmission. And so different licenses cannot be given for different services. One license would cover all. Obviously new technologies cannot be licensed separately from old technologies. The obvious answer is to have one license for everything. Still the convergence game goes on. There is no way of knowing where one begins and the other ends. Wherever the licensee begins he can expand to cover all areas.

12. The quality of the transmission has improved tremendously. I remember the days of having to shout into the mouthpiece when telephoning long distance. Today the reception is so clear that one does not know the speaker is 12,000 miles away. This poses a special problem for the user. He might think that he is calling someone in the same town when actually the person is on the other side of the world. The cost of his casual call would be very high. I still cannot figure how the callers are billed. It is no wonder that off and on someone gets a huge bill for calls he did not make. Maybe his foreign maid made it.

13. Suddenly all these marvels and more have become everyday things. The whole scenario has changed. Many people seem to be talking and gesturing, laughing and screwing up their faces all by themselves. They seem to me to be slightly mad. But of course they are all communicating as they have never communicated before. Maybe Mr Soros was selling a billion Dollars of Malaysian Ringgit and causing its exchange rate to plunge and impoverishing millions of people just by talking on handphone. That is now entirely possible with the new telecommunication technology. A word on the phone while walking along a street can make millions for the speaker while millions are thrown out of work, riot and destroy shops and vehicles.

14. But we are not deterred of course. It is not the technology which is bad. It is the people who apply the technology who are bad. And so Malaysia intends to make full use of the technology for its growth and development.

15. First we have launched the Multimedia Super Corridor (MSC), a chunk of land 15 kilometres by 50 kilometres extending between the twin-towers in Kuala Lumpur to the spanking new, state-of-the-art Kuala Lumpur International Airport. Within this area new policy, practices and laws which will facilitate the use of telecommunications for E-commerce and K-economy have been introduced. There will be incubators for small start-up companies and Research, Development and

Operation centres for the big world-class companies. There will be software programmers and content producers.

16. A university, The Multimedia University, will train the majority of the knowledge-workers and will do research in new technologies, and content production and will interact with the R&D facilities of the big companies. An Entertainment Village will provide facilities for pre-production, production and post-production of animated and normal films and combinations of these.

17. All the necessary telecommunication and other infrastructure have been put in place. Everything that is needed for research, development, worldwide operational centres, have been provided.

18. Despite the economic downturn of 1997-1998 the MSC and the cybercity called Cyberjaya had not slowed down and has more than achieved its target. Today more than 3/5 of the companies including world-class companies have been located in the MSC although we still have three years to go.

19. Investments by local and foreign companies have increased significantly from 196 million Ringgit in 1997 to 1.7 billion Ringgit while expenditure by MSC status companies have reached 2.3 billion Ringgit in the 1997-1999 period. Total investment in the MSC is expected to exceed 20 billion Ringgit by 2005. In terms of employment, some 35,000 jobs will be created by 2005 compared with only 5,500 new jobs between 1997 and 1999.

20. The digital divide is synonymous with the knowledge divide. When countries develop they move into a higher level of knowledge. Today prosperous economies are essentially knowledge-based economies. When we talk about the knowledge economy, we are really talking about information sharing. Technology should not be a privilege of those in the urban areas only, or in the rich countries only. Everyone, whether urban or rural, rich or poor must be able to share in this knowledge. The use of information technology must be democratised.

21. However, while prescribing technology to bridge the 'digital divide' one must remember that technology simply provides the means. It is an enabler. The important thing is the application of the data and information that can be accessed. Handling data and information is a different skill. It requires imagination and innovation. It is not just a question of doing what others are doing or what has been learnt. It is about applying data and information to do old things and to devise new things so that greater efficiency and productivity is achieved. One is always amazed that someone else's application or innovation is

so simple that one should have thought of it. Thus the idea of selling goods and service via the internet. Enough information and illustrations in 3D can be provided to enable a buyer to decide. The method of payment is also provided.

22. In this regard, I believe the Commonwealth Telecommunications Organisation can play a meaningful role in narrowing the digital divide by committing funds, resources and computer and internet training to the less developed countries before they fall further behind in technology and wealth. I understand that there have been on-going activities and technical cooperation programmes being implemented under one of CTO's flagship activities namely the Programme for Development and Training (PDT). Nevertheless I hope greater focus will be directed towards addressing the issue of the digital divide.

23. We are aware that for a number of years successive CHOGM have articulated support for a Commonwealth Network for I.T. Development (COMNET-IT) forum. However, beyond this high level lip service, there is a total void by way of any explicit resourcing or programming in Commonwealth functional cooperation and programme of the Commonwealth Secretariat. While the Council Meeting may not be the exact forum to champion this cause, the Commonwealth Telecommunications Organisation could serve as a platform to leverage for action in the spirit of making the Commonwealth truly an association of countries where wealth is common.

24. Unlike the Industrial Age which initially involve only the already rich Imperial Nations, the Information Age provides an opportunity for all countries to start together. All the countries, big and small, have potential markets for telecommunication. Even remote islands in the Pacific can serve telecommunication needs because as independent nations they can make available certain licenses and facilities.

25. However it is true that the rich and the technologically advanced are in a better position to exploit the technology worldwide. There is now a rush to gain shares in the telecommunication industry in all the countries of the world by the major international players. The situation is not unlike the oil industry where at one time the Seven Sisters monopolised the industry worldwide. I do hope that the big international companies will not try to monopolise everything. If they are needed to help the industry in poorer countries they should apportion a bigger share of the profits to their partners.

26. This is an opportunity in a millennium for many poor countries. Do not let them miss out on this.

27. I do hope the Commonwealth Telecommunications Council will play a role in ensuring fair and equitable sharing in this field.

28. With that ladies and gentlemen, it is my pleasure to declare the meeting open. I hope you have fruitful deliberations.