

## IN THE AGE OF KNOWLEDGE AND INNOVATION FROM THE CHIEF EXECUTIVE



# Making Malaysia synonymous with ICT

With more than 2,400 MSC Malaysia status companies, employing 92,000 people and generating revenue of more than RM20 billion, the country has established itself as a force to be reckoned with in the ICT industry. Generating a steady stream of knowledge workers, funding, creating content and bridging the digital divide is part and parcel of efforts by the Multimedia Development Corporation to grow the nation as an ICT hub

From the Desk of  
Datuk Badlisham Ghazali

**E**VENTS that are taking place today and tomorrow will have a big impact on MSC Malaysia and also the government's aspirations to transform the nation into a developed country by 2020.

The events will chart a course for the Multimedia Development Corporation (MDeC), as the driver of the national ICT initiative, to play its part in helping Malaysia achieve the vision of a knowledge-based and innovation-led economy.

It is for this reason, that the Implementation Council Meeting (ICM) and the International Advisory Panel (IAP) meeting, both chaired by the Prime Minister, are the most critical events on the MSC Malaysia calendar.

For those who require an introduction, the ICM is a meeting where government officials discuss the progress of MSC Malaysia, while the IAP is an elite circle of industry icons providing counsel in the form of direction and actionable strategies to the government of Malaysia.

I believe the 23rd ICM and 12th MSC Malaysia IAP meeting this year will, as in the past, show us the way forward using ICT to advance the economic and social interests of the country.

### Malaysia as an ICT hub

Since its launch in 1996, MSC Malaysia has become a true national success, creating a software industry where there was none, and putting Malaysia on the global outsourcing map.

Many leading multinationals now call Cyberjaya home, including IBM, HP, DHL, BMW and HSBC. Besides the glowing testimonial that comes from a significant multinational presence, MSC Malaysia has also grown a thriving local ICT industry.

The facts speak for themselves - we now have over 2,400 MSC Malaysia companies that have generated more than RM21.8 billion in revenue last year and employed more than 92,000 people.

Though the ICT industry is still young in this country, MSC Malaysia is already a significant part of the economy. MSC Malaysia companies collectively contribute 2.94 per cent to the country's GDP and this figure is set to grow even more.

Malaysia is the third most preferred location for global services after India and China as ranked by A.T. Kearney in its Global Services Index Location 2009 survey. Other similar surveys also have Malaysia highly ranked.

This proves that Malaysia is one of



the top countries in the world for locating outsourcing activities, including IT services, contact centres and back-office support, further securing MSC Malaysia's position as an ICT hub.

We have also jump-started a digital content industry and our 3D animation products have found encouraging commercial success both in the local and international market.

### Bridging the digital divide

One of MSC Malaysia's mandates is to bring the benefits of ICT to all Malaysians through the development of citizen-centric applications.

When the MSC Malaysia initiated the campaign, *Sinang Dengan ICT* (Stay with ICT), it was with the objective of making

the lives of the people easier, regardless of age, location or background.

One of our greatest achievements in this area is the implementation and delivery of the Multipurpose Smart Card applications on the MyKad.

The usage of MyKad is not restricted to identification only. The information that can be stored in the MyKad includes the driving licence, passport details, bank accounts and much more.

An example of a commercial application of the MyKad is the ability to use it for electronic payment as it can also function as a Touch 'n Go card.

The MyKad has also single-handedly accelerated the growth of the Smart Card industry in the country and the original vendor has since gone global by adapting its solutions for the international market.

The application e-Grocer@msa that was implemented recently has enabled purchasers to know the types of agricultural produce and the locations of the agricultural markets all over the country, using Fama's database. This means that distance and geography are no longer "boundaries" to a transaction and this immediately increases the scope for marketing for the farmers.

MyKad also allows a safe and efficient distribution of social benefits through the MyKash programme. Donors do not have to worry if their contributions have reached the proper recipient. The target recipients of the aid or benefits are also safeguarded as MyKash enables them to spend on the basic food necessities twice a month at designated premises.

It is vital for Malaysians to be aware of the advantages of ICT. MyKad is basically just a card with a chip - however the applications that can be installed in the chip makes the card priceless!

### Producing the right talent

I am often asked by journalists if Malaysia lacks talent, and my answer is usually yes and no. No, we don't lack talent but yes, we do lack talent with the right skills.

If Malaysia is to make the quantum leap to developed nation status, one of the issues we have to address is the issue of our talent pool.

To this end, MDeC has been given the mandate to develop workers who are knowledgeable and experienced, in line with the government's commitment to develop human capital.

We have provided the facilities in cooperation with industry experts and professional bodies to train or to retrain all new graduates, retrained workers and also existing professional workers. This is to ensure they are kept up-to-date and supply outsourcing companies with the key resource to remain competitive in the market.

The Asian market has fuelled the growth of our shared services and outsourcing industry (SSO) and it is estimated that the Malaysian SSO industry will employ 100,000 employees in the near future. The SSO industry currently provides 32,500 jobs and is a significant contributor to employment and job creation in MSC Malaysia.

MSC Malaysia has prepared several training programmes through the K-Workers Development Initiatives (KDI). Among its contents are MSC Malaysia Undergraduate Skills Programme (USP), Malaysia Undergraduate Apprenticeship and Development Programme (UGRAD) and MSC Malaysia Graduate Trainee Programme (GTP).

Current statistics revealed that MSC Malaysia has contributed 92,000 in human capital in the form of knowledge workers and this figure is expected to increase to 100,000 in 2010.

### Going global

Our ICT solutions are world-class and benchmarked against global standards, meeting the demands of emerging and developed markets. The quality of our products and services has enabled Malaysian companies to compete with solutions from well-known players in North America and India.

MSC Malaysia's approach is target-specific and non-technology focused, matching each ICT solution with its own unique set of tools and covers various sectors like application software, security and creative multimedia content.

Location is a key competitive edge for Malaysia firms. Malaysia's strategic location as well as strong relations with countries by the region permits us to have successful trading relationships with those nations. Being part of trade groupings and international business affiliations, Malaysian companies have the advantage of being able to penetrate growing markets in Asia Pacific and the Middle East.

### Enabling all industries to use ICT

Part of MSC Malaysia's master plan is to encourage local companies to use ICT solutions. The penetration of ICT solutions among local firms is rather low and we at MSC Malaysia want to change this.

Although MSC Malaysia status companies are not fully dependent on the domestic market, one of our main priorities is to equip local businesses with ICT solutions. We encourage SMEs in all industries to use ICT solutions provided by MSC Malaysia status companies with the aim of bringing benefit to both parties.

Using these world class ICT solutions will help companies strengthen their business. More than 2,000 firms with MSC Malaysia status companies make a full range of business software that can help companies reduce costs and boost profits.

SMEs themselves represent 90 per cent of the total businesses in the country and are a major market for ICT solution providers. Strong collaboration between ICT solution providers and SMEs will further strengthen Malaysia's position as a prominent global ICT player.

I am confident that Malaysia's future as one of the top ICT hubs in the region, I believe with the Foundation we have laid and the strategic input we will receive in achieving our ultimate goal of transforming Malaysia into an innovation economy.

We're also fortunate to have the fresh momentum that the prime minister has given the country through the Malaysia campaign, which is a galvanising call for all Malaysians to strive together as one team, one people and one nation.