# MULTIMEDIA SUPER CORRIDOR (MSC)

6.1 OVERVIEW

The Multimedia Super Corridor (MSC) is Malaysia's most exciting initiative for the global information and communication technology (ICT) industry.

Conceptualized in 1996, the MSC has since grown into a thriving dynamic ICT hub, hosting more than 900 multinationals, foreign-owned and home-grown Malaysian companies focused on multimedia and communications products, solutions, services and; research and development.
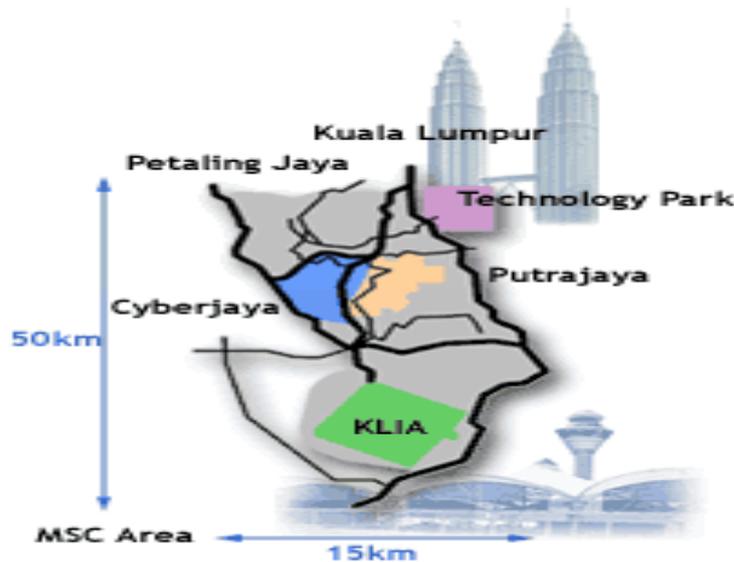
MSC PHASE 1 (1996-2003)

In Phase One of the MSC (Figure 2), five Cybercities were successfully developed, with more than 1,000 companies, as well as universities, granted MSC status; seven major MSC flagship initiatives piloted, 22,000 high-value jobs created, and total worth of RM 6 billion in revenue generated.

Figure 2: MSC Phase One

MSC NEXT LEAP (2004-2010)

In the initial stage of MSC National Rollout under MSC Next Leap, MSC Cybercity status has been awarded to Penang (in Bayan Lepas Free Industrial Zones and vicinity) and Kulim Hi-Tech Park (see below).
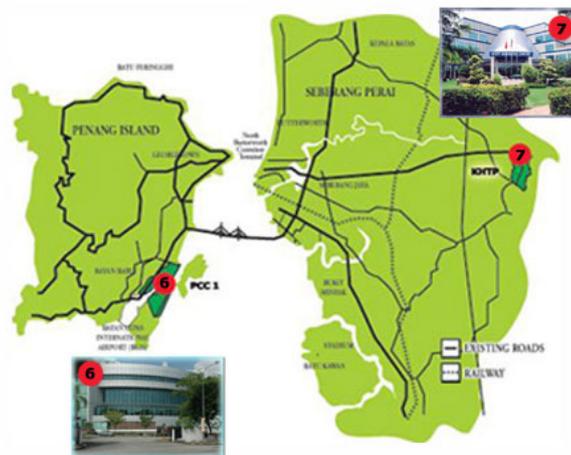

Figure 3: Initial Stage of MSC Next Leap

However, during the 17th Meeting of the MSC Implementation Council, chaired by the YAB Prime Minister of Malaysia on 21 June 2004, a decision was made to rollout the MSC Cybercity / Cybercentre status beyond the original designated area in order to spread the MSC benefits nation-wide.

MSC PHASE 3 (2011-2020)

By end of Phase 3 in year 2020, the MSC Agenda will be extended to the whole country. It will be a national transformation for Malaysia to become a Knowledge-based Economy and Society, as envisaged in the Vision 2020.

6.1.1   The MSC Vision: From Here To 2020

Implementation of the MSC is divided into three phases from 1996-2020:

In **Phase 1** (1996-2003), the MSC was successfully created. Every milestone set for Phase 1 were surpassed.

In **Phase 2**, a web of similar corridors will be established in Malaysia, and a global framework of cyberlaws will be passed; furthermore at least four of five intelligent cities will be linked to other global cities worldwide.

In **Phase 3**, Malaysia will evolve into one Multimedia Super Corridor. An International Cybercourt of Justice will be established in the MSC and 12 intelligent cities will be linked to the global information highway.

6.1.2   Infra- and Infostructure

The Malaysian government has equipped core areas in the MSC with high-capacity global telecommunications and logistics networks.

Emphasis has been placed on eco-friendly, yet sophisticated urban structures for businesses, homes, education and recreation.

The MSC is also supported by secure cyberlaws, strategic policies; and a range of financial and non-financial incentives for investors.

6.1.3 Success Factors

There are several compelling factors for investors and ICT technopreneurs to conduct their business in the MSC.

Among them are:

1. Comprehensive package for investors
2. Strong socio-economic fundamentals
3. Firm commitment from the Malaysian Government
4. Accelerated human resource training and development
5. Competitive costs of doing business
6. Ready access to the Asia-Pacific markets
7. Widespread usage of English
8. Superlative quality of life

6.1.4 Top MSC initiatives and flagship applications

Many innovative flagship applications have been developed in the MSC top accelerate its growth. They are focused on the development of Smart Schools, Telehealth, e-Business, smart card technology, electronic government, technopreneurship.

6.2 Multimedia Development Corporation

Mandated to oversee the development of the MSC is the Multimedia Development Corporation (MDC) based in Cyberjaya.

Initially a Government-owned corporation but now incorporated under the Companies Act, MDC facilitates applications by multinational and local companies to re-locate to the MSC.

It globally markets the MSC, shapes MSC-specific laws, policies and practices by advising Malaysian Government and standardises MSC's information infrastructure and urban development.

6.2.1 MSC Status Eligibility Criteria

To qualify for MSC-status, applicants must meet the following criteria:

1. Be a provider or heavy user of multimedia products and services.
2. Employ a substantial number of knowledge workers.
3. Provide technology transfer and/or contribute towards the development of the MSC or support Malaysia's k-economy initiatives.
4. Establish a separate legal entity for the MSC qualifying multimedia business and activities.
5. Locate in a MSC designated cybercities.
6. Comply with environmental guidelines.

6.3 The MSC Flagship Applications

To accelerate the objectives of Vision 2020 (to transform Malaysia into knowledge based society), a path has already been defined through seven innovative Flagship Applications.

These applications are engineered to jump start the MSC initiative and create a multimedia utopia for innovative producers and users of multimedia technology.

The Flagship Applications are:

1. Electronic Government

2. Multipurpose Card

3. Smart School

4. Telehealth

5. R&D Clusters

6. E-Business

7. Technopreneur Development

6.3.1 Electronic Government

The Electronic Government initiative was launched to lead the country into the Information Age. It will improve both how the government operates internally as well as how it delivers services to the people of Malaysia.

It seeks to improve the convenience, accessibility and quality of interactions with citizens and businesses; simultaneously, it will improve information flows and processes within government to improve the speed and quality of policy development, coordination and enforcement.

The 7 pilot projects of the Electronic Government Flagship Application are as follows;

1. Project Monitoring System (SPP II)
2. Human Resource Management Information System (HRMIS)
3. Generic Office Environment (GOE)
4. Electronic Procurement (EP)
5. Electronic Services (E-Services)
6. Electronic Labour Exchange (ELX)
7. E-Syariah

6.3.2 Multipurpose Card

The National Multipurpose Card seeks to develop a single and common platform for a Multipurpose Card (MPC) that will enable the government and private application providers to implement smart card solutions without duplications of effort and investment.

The objectives of the MPC Flagship Application are:
- To provide the government and payment application, and other future applications on a single MPC platform;
- To provide enhanced services to customers; and
- To enhance security and convenience of existing and new applications delivered

  on the MPC platform.

MyKad developed by the National Registration Department (JPN) and private ICT developers that create a common platform for smart card solutions.

The card is embedded with a security enhanced 64K microprocessor chip that is multifunctional across varying systems. MyKad applications are:

1. National ID
2. Driving License
3. Passport Information
4. Health Information
5. Touch N Go
6. MEPS Cash

7. ATM
8. Public Key Infrastructure

6.3.3 Smart School

The Smart School Flagship Application is driven by the need for Malaysia to make the transformation from an industrial to an information-based economy.

It is also a learning institution that has been systemically reinvented in terms of teaching-learning practices and school management in order to prepare students to practice self-assessed and self-directed learning focusing on individual achievements and development.

The Smart School Flagship Application comprises of these following:

1. School Teaching-Learning Materials
2. Smart School Management System
3. Smart School Technology Infrastructure
4. School Assessment System
5. Systems Integration
6. Help Desk / Support

6.3.4 Telehealth

The Telehealth initiative aims to keep people in the 'wellness' paradigm, through the seamless availability of health information and virtual health services thus transforming the way healthcare services are delivered and accessed.

Definition of Telehealth is a multimedia network linking all players to provide products and services in health care.

The four Telehealth Flagship Application pilot projects are:
1. Teleconsultation (TC)
2. Mass Customised / Personalised Health Information and Education (MCPHIE)
3. Lifetime Health Plan (LHP)
4. Continuing Medical Education (CME)

6.3.5 R&D Clusters

MSC's Research and Development Cluster (R&D) flagship application pools corporate resources and creates an environment to further promote the development of next-generation multimedia technologies.

To catalyze R&D activities in the MSC, the following programs have been initiated:

1. MSC R&D Grant Scheme (MGS)

2. MSC Student Attachment Programs (SAP)

3. MSC Technology Forum Series

4. Collaborative R&D efforts between firms, universities and research institutes

5. Exhibitions (local and overseas)

6.3.6 E-Business

The E-Business cluster aims to shape an Electronic Business environment competitive with the major economic powers.

This cluster has an enormous potential market that could be one of the driving forces for future economic growth.

6.3.7 Technopreneur Development

Since 1996, one of the MSC's key strategic thrusts has been emphasized on the development of Malaysian ICT Small and Medium Enterprises (SMEs) through its strategy to catalyze a highly competitive cluster of Malaysian ICT / Multimedia and other strategic high technology companies that will which can become world-class over time.

The SMEs are seen as substantial contributors to economic growth as they create new wealth and job opportunities in the knowledge-based economy. As a result of MSC initiatives, as of 31 July 2005, there were 3,413 Malaysian ICT SMEs compared to less than 300 in 1996.

In recognising the need to further enhance the MSC's efforts to develop Malaysian SMEs in the ICT and other strategic high technology industries, such as ICT, Multimedia, Biotechnology and other life science industries, the Government launched the Technopreneur Development Flagship (TDF) in November 2001.

The lead agency driving the Flagship is the Ministry of Energy, Communications and Multimedia with Multimedia Development Corporation acting as the implementing agency for the Flagship.

The core objectives of the Flagship are to:

1.   To spawn and nurture a critical mass of strategic high technology industries such as ICT, M, Biotechnology and other life science start-ups

2.   To facilitate the growth of existing ICT SMEs into world-class companies