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# BUDGET 2011 COMMENTARIES

Budget 2011 came and went, creating amongst other things, an uproar over a proposed 100-storey tower. That aside, other highlights of the budget moved some of our nation's biggest ICT players to come forward with their commentaries about how they will be moving forward toward the coming year.

**Dell's Budget 2011 statement**  
**Bobbi Dangerfield, Managing Director, Dell Global Business Centre**



The catalyst for a developed nation is a rich pool of highly qualified, skilled and knowledgeable workers. However, Malaysia is in dire need of nurturing more knowledge workers and strengthening the talent pool in the country to propel the country's economy to greater heights. It is evident that there is a shortage of skilled workers who are innovative and capable enough to meet the growing demands of the market, especially in the ICT industry. For this reason, I believe initiatives such as the Talent Corporation to be established in 2011 and aimed at attracting human capital including Malaysians working overseas, will certainly help catapult the country to become a developed nation by 2020.

Thus, we welcome the allocation of RM29.3 billion, RM10.2 billion and RM627 million to the Ministry of Education, Ministry of Higher Education and Ministry of Human Resources respectively, to optimise the nation's human capital base. The allocation of RM200 million from the Human Resource Development Fund to be used by companies to fund specific training programmes for employees, is another positive step. We also welcome the allocations and programme for education and training in-

stitutions that are aimed at up-skilling and re-skilling of workers with technical skills.

With these initiatives and allocations in place, we believe there is great potential to source local talent in the future, with the necessary soft skills and technical talent. Dell is committed to continue working with the government and the education sector to ensure the nation's talent pool grows, and that our knowledge workers contribute positively towards the development of the country.

**MIMOS Budget 2011 statement**  
**Dato' Abdul Wahab Abdullah, President and Chief Executive, MIMOS**

MIMOS, the premier applied research centre in frontier technologies, lauds the Government's move to allocate a sum of RM411 million for research and development and commercialisation (R&D&C) activities next year. This is critical in order to accelerate the commercialization process of locally developed technologies and provide an innovation eco-system for the industry.

This is also in line with MIMOS' mission of pioneering innovative frontier technologies towards growing globally competitive indigenous industries ultimately aimed at moving the Malaysia's information and communications technology (ICT) industry up the value chain.

While the Government will further intensify the Public-Private Partnership (PPP) initiative to enhance private sector involvement in economic



activities, it is imperative that the private sector use ICT as a key platform to ensure the 12 National Key Economic Areas (NKEA) become a reality.

It is also heartening to note the continuous recognition that human capital and knowledge development are the keys to differentiating Malaysia. The Government's concerted efforts to ensure an adequate supply of domain expert for the country through the restructuring and further strengthening of education and training is a step in the right direction to ensure Malaysia has a pool of experts with the right skills.

This is also in tandem with MIMOS helps to harness fresh new talent who are industry-ready in the field of ICT through its apprenticeship programme, known as

Centre of Domain Expertise Acceleration in ICT (CODE8). The programme enables participants to gain valuable knowledge in the ICT domains which will seed the country's new innovation economy. The future growth of Malaysia's talent pool including domain experts relies on this home-built supply chain.

Ultimately, it is research and technological advancement together with the availability of domain experts that are the key factors for innovation and competitiveness that will play a critical role in transitioning of Malaysia towards an innovative, market-driven R&D and knowledge-driven economic powerhouse.

**Hitachi Data System's Budget 2011 statement**  
**Johnson Khoo, Managing Director, Hitachi Data Systems Sdn Bhd**

#### On implementation & delivery

While we feel that the Government is on the right track with the Government Transformation Programme (GTP) and Economic Transformation Programme (ETP), there is a need to prioritise and focus on implementation of these development programmes. What has been planned should not remain as mere announcements. The nation is at a critical stage of its economic development and the Government must endeavour to focus on delivering these initiatives. We no longer have the luxury of depending on natural resources and labour-intensive manufacturing activities as economic drivers.

#### On creating a high-value economy

We laud the allocation of RM411 million in Budget 2011 for research, development and commercialisation activities that drive innovation and produces high-value products and services.



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However, more needs to be done to ensure the country drives and promotes innovation through research and development. We need to be creative not just in the area of new products and services that support the economy. Innovation needs to be inculcated right from the onset in our education system. This will ensure that the foundation for innovation and creativity is built before our youth enter the workforce. We will then have human capital that is of high value, creates innovative products and services, and is able to compete locally and internationally.

**Symantec's Budget 2011 statement**  
**Alex Ong, Country Manager, Symantec Malaysia**

Symantec welcomes the proposed RM212 billion Budget 2011 which is formulated to meet the aspirations of the rakyat, taking into consideration the development and well-being of the nation. In particular, Symantec applauds the Prime Minister's initiatives in hearing the voices of the people through consulting the views of the public and private sectors in the development of Budget 2011. We hope this will set the trends in the future government initiatives that takes the view of the rakyat into consideration.

The proposed Budget 2011 contains significant proposals to achieve the six percent growth in 2011 and as our country implements initiatives to move to a higher income and advanced nation. With the heightened competition in the region and globally for Foreign Direct Investment (FDI), it will be a crucial year to establish policies to be market friendly, have a skilled work force that is resilient and productive, and have enterprises that are competitive and ahead in terms of innovation and technology.

**Managing risks while spurring mobile devices and broadband adoption**

The proposal in Budget 2011 to harmonise sales tax treatment on Personal Digital Assistant (PDA) with ordinary mobile phones will certainly see an increase in adoption of mobile devices.

Today, mobile devices are becoming an indispensable communication tool which shapes the mobility lifestyle of the Millennial Generation.

In addition, Budget 2011 continues to encourage investments in broadband services infrastructures through the proposal to extend the period for tax incentives to another two-years until 2012 for companies that invest in last mile broadband infrastructure.

Symantec views these as two important areas in the budget in enhancing information and communications technology (ICT), and this would certainly spur more interest in mobile activities such as social media participation, online banking and transactions, and see the nation move into an information-driven economy.

While mobility and high-speed access to the Internet will bring many benefits to Malaysians, Symantec has observed globally that the increase of broadband adoption also increases the malicious cyberspace activities in a country, resulting in higher risks of cyber threats to users. Malicious cybercriminal activities usually affect



computers with broadband connectivity as they are equipped with large bandwidth capacities, more stable connections, fast transfer speeds, and are connected 24/7. These are attractive to cybercriminals because of their increased ability and capacity to mount cyber attacks.

Symantec recommends that the Malaysian Government intensifies education and awareness programs for the public on cyber threats and implement policy to ensure confidential information is well-protected. In addition, as the broadband services infrastructure grows, Symantec suggests that our Government continues to make resources available to establish critical infrastructure protection programs. The Government should partner with industry associations to develop and disseminate informa-

tion to raise awareness of Critical Infrastructure Protection organisations and plans. Specific information should include how a response would work in the face of a national cyber attack, what the roles of government and industry would be, who the specific contacts are for various industries at a regional and national level, and how government and private business would share information in the event of an emergency.

In this area, Symantec is committed to working and partnering with the Malaysian government in sharing best practices on Critical Infrastructure Protection from our experiences with governments globally, and also in sharing our technologies and services from Symantec Global Intelligence Network that provides unparalleled analysis of and protection from malware, security risks, and vulnerabilities.

**Developing skilled ICT workers and attracting talent**

Symantec is pleased with the continued focus to enhance local talents and the increased efforts to attract talent. The establishment of Talent Corporation under the Prime Minister's office in 2011 will certainly help in building a quality and increase the quantity of the workforce.

In addition, the RM50 million allocation to Multimedia Development Corporation to train graduates in ICT to enhance their employability and meet the demand of the ICT industry is another step in the right direction.

However, it is also crucial for the Institutions of Higher Learning to work together and partner with the multinationals to find out what ICT skills are lacking and required in the industry, therefore developing plans to bridge the skill gaps. This is an important initiative that would contribute towards nurturing a pool of skilled and knowledge workers to meet the needs of the development and growth of the local ICT industry.

**Continual investment in SME development**

Symantec is surprised that Budget 2011 did not continue to address the development of small and medium enterprises. While there are areas in the budget that address entrepreneur development and training, Symantec feels that stronger emphasis needs to be given to the development of small and medium enterprises whether it is through tax exemptions or specific funding allocations as small and medium enterprises play a key role in our economic growth.

**Cisco's Budget 2011 statement**  
**Anne Abraham, Managing Director, Cisco Malaysia**

**Cisco applauds the government's agenda to transform our nation.**

We welcome the government's move to enhance private sector involvement in economic



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and healthcare are critical to bringing our nation into the future and this can be achieved with the network as a platform for people, organisations, governments and systems.

**Intel's Budget 2011 statement**  
 Ryaz Patel, Country Manager & Atul Bhargava, Managing Director of Intel Malaysia

**ICT, human capital and broadband**  
**Intel Malaysia welcomes the allocation of RM50m by the government to Multimedia Development Corporation to train graduates in ICT and the allocation of RM119 million for Multimedia Development Corridor programmes which will focus on creating an innovative digital economy. Knowledge and innovation are the new currencies of the 21st century. There is a significant opportunity for Malaysia to become a high-income economy driven by knowledge, creativity and innovation.**

The duty and sales tax exemption on broadband equipment is a positive development that can be expected to accelerate the uptake of broadband services; which in turn may accelerate broadband deployment beyond urban areas, drive greater PC penetration and narrow the digital divide.

Intel Malaysia also welcomes the tax exemption on mobile phones as it has the potential to increase the broadband penetration rate in Malaysia as mobile phones is one of the fastest growing market segments and trends have shown that more and more people are accessing the Internet with their mobile phones.

#### Education

Intel views as positive substantial allocation intended for MoE, MoHE and MoHR to build quality, skilled, knowledgeable, creative and innovative human capital. Ultimately, one of Ma-

laysia's biggest opportunities is to develop its human capital and capabilities to thrive in an innovation-led economy. Countries today increasingly recognise that educated citizens are critical for success in the global digital economy and students need to develop 21st century skills through learning with technology to be best prepared for this reality.

Intel Malaysia also lauds the government for the allocation RM20m to increase PhD qualified staff as the development of a larger pool of post-graduates can drive and accelerate the growth of a high income economy. Intel Malaysia had hoped to see allocations for programmes that support more research-based projects for university professors. Intel encourages the Government to allocate more budget towards long-term programmes that utilise technology to make teaching and learning more effective.

#### Research & Development

The RM411m allocation for R&D&C is a positive display of commitment by the government to innovate and move the nation to a higher income economy. The high technology manufacturing and R&D activities powered by a generation of knowledge workers are the necessary factors that will give Malaysia a competitive edge. With ICT acknowledged as a key determinant for the nation's economic growth, Malaysians will be better positioned to compete more effectively in the current global economic environment.

#### Electrical and Electronics Industry

Intel lauds the allocation of RM857 million for local companies to invest in high value-added activities, particularly in Penang and the Kulim High-Tech Park in Kedah. This will help promote a culture of innovation among local companies and inculcate the value of raising productivity levels.

activities as it will create greater opportunities for private businesses like Cisco to invest in and contribute experience and expertise towards the development of the NKEAs, especially in the area of ICT.

The ICT-related measures in the National Budget 2011, in particular the government's plan to focus on enhancing the ICT industry, develop talent and encourage start-ups will boost productivity and innovation – critical in transforming Malaysia into a developed, high-income nation.

We are inspired by the government's commitment to reduce carbon emission intensity in support of environmental sustainability. At Cisco, we believe if it is connected to the network, it is green and look forward to working with the government and companies in Malaysia to contribute to the national green objectives.

The allocation of RM60 million to enhance skills of engineering graduates and technical employees as well as train graduates in ICT to enhance their employability is a wonderful move that will leverage the benefits of technology to create a highly skilled, industry standard workforce. Educational institutions as well as industry players like Cisco have continuously contributed to helping the country achieve this goal that serves as a catalyst for Malaysia's success. Most recently, Cisco and the Multimedia Development Corporation (MDeC) implemented an undergraduate internship program with University Malaya to identify, develop and prepare skilled ICT networking specialists for SMEs.

Businesses and citizens alike need to embrace technology as a culture. In taking our government's national agenda to the next level, we should creatively harness the power of technology to create smart and connected applications and communities in Malaysia. The opportunities to invest in public service enablement, education

