# 'Have single ministry for ICT'

## Pikom issues statement lobbying for a dedicated agency for better coordination of functions and resource utilisation

In view of the current economic and political situation, it will be a timely move for the government to review and realign information and communications technology (ICT) policies, programmes and implementation strategies.

Pikom is making this call because there are a number of issues that pose great challenges to the realisation of a knowledge economy and society, which is envisaged in the Third Outline Perspective Plan 2006-2010 (OPP3: 2006-2010) and other Malaysia plans thereafter.

ICT has contributed significantly to manufacturing, services and GDP growth in Malaysia. In particular, the contribution of the ICT sector's value-added services to GDP increased from 4.2% in 1987 to 10.8% in 2008. Within the manufacturing sector, where ICT is the major contributor, its sub-sector share increased from 12.7% in 1987 to an estimated 26.9% in 2008.

The ICT sector has performed spectacularly compared to the construction sector's value-added services, which declined from a peak of 6.9% in 1997 to 3% in 2008. Similarly, compared to the agriculture sector, which registered a continuous decline from 20% in 1987 to 7.6% in 2008, the ICT sector's contribution warrants greater attention as an important growth sector. Even compared to the mining and quarrying sector, which includes the contributions of petroleum and natural gas products and services, the ICT sector has gained substantial standing


Wong: Without institutional realignment, it will be a formidable task to make ICT the key driver of the economy

lated and requires the parallel attention of both ministries. Indeed, such fragmented arrangements, administratively and logistically, pose great challenges to mobilising the requisite resources in an appropriate and coherent manner, due to the blurring of boundaries, roles and responsibilities as well as policy formulation and implementation functions.

"Interfacing with a single point of contact means it's faster, more convenient and informative, quickens the decision-making process, saves cost, increases efficiency and offers procedural clarity for local and foreign ICT companies to prosper. These are pro-investor conditions that are likely to increase foreign direct investment flow into Malaysia," says Pikom's president C J Ang. "We envisage such a ministry would be specifically tasked with actively promoting Malaysia's


Intel's design and development centre in Kulim... ICT has contributed significantly to manufacturing, services and GDP growth in Malaysia

vent of the Internet in 1992 in Malaysia via the Jaring services of Mimos Bhd, the convergence of telecommunications, broadcasting and computing activities became paramount, compelling the government to review and realign ministerial functions. Consequently, besides the NITC, the government also created new institutions to nurture, foster and harness information, communications and knowledge development activities in an efficient and effective way. Specifically, the Ministry of Energy, Communications and Multimedia was formed in

ments, resulting in two separate ministries — KTAK and Mosti.

At this juncture, Pikom, as the voice of the ICT industry, is very much concerned about the role, direction and thrust of the ICT sector in the formation and realisation of the knowledge economy and society that is envisioned in OPP3, which is poised to come to an end by next year, and in the plans for the years ahead. Indeed, Pikom is of the opinion that most of the problems and issues mentioned above can be appropriately addressed if the government forms one dedicated ministry, namely the Ministry of Information, Communications and Bio-Technology, like in India, Australia and China. As acknowledged, a dedicated ministry should be able to function efficiently and effectively in mobilising the requisite resources in a strategic, systematic and focused manner towards ensuring that ICT plays a crucial role not only in enhancing the nation's economic and competitive edge, but also in building an information-rich and new age society.

"The inclusion of the proposed new ministry is important as ICT is an enabler of the engine of growth that will see Malaysia through this economic crisis. This is in lieu of the local ICT industry's growing prominence as a major economic driver, contributing to the nation's prosperity," says Pikom's chairman David Wong Nan Fay.

"Pikom had mooted the idea of a single ICT ministry right after the March 2008 general election. Such a ministry would be beneficial to accelerating the growth of the local industry and will see through the transformation of Malaysia into a developed country by 2020. Without such institutional realignment, it will be a formidable task to make ICT the key driver of the economy," adds Wong.


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in terms of earning revenue for the country; the former's 8% contribution in 2008 is much lower than the ICT sector's contribution of 10.8%.

Currently, ICT and its infrastructure are under two different ministries. The Ministry of Science, Technology and Innovation (Mosti) takes care of ICT and biotechnology functions — known as the soft factors — while the hard factors or the provision of requisite infrastructure functions comes under the Ministry of Energy, Water and Communications (KTAK). It must be noted that the provision of soft and hard elements of new age technologies is closely interre-

ICT industry, developing constructive policies and guidelines to deal with global ICT deregulation and market liberalisation," he adds.

Before the dawn of the current information age — in the mid-1990s when the National Information Technology Council (NITC) was launched in 1994 and the National Information Technology Agenda in December 1996 — the Ministry of Energy, Telecommunications and Post (METP) and the Ministry of Information also existed separately to look after the telecommunications and broadcasting/multimedia activities respectively.

However, after the commercial ad-

1998 to replace the METP. As a result, the broadcasting activities that were once under the Ministry of Information came under the purview of this new ministry to provide a holistic and pragmatic approach to developing ICT domains.

Such institutional rearrangements also led to the setting up of the Malaysian Communication and Multimedia Commission in November 1998 to take charge of regulatory and licensing activities. In parallel, Multimedia Development Corp was set up to oversee the MSC programmes and flagships. However, these institutional set-ups were rearranged in subsequent develop-