

Title: Factors leading to decentralization of office firms the case of Multimedia super corridor

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Abstract:

Technological development in the information and communication sector is an unavoidable phenomenon to attain sustainability in today's global era. Cities have developed satellite towns at the periphery with hi-fidelity digital and physical infrastructure which startup as a small town offering competitive economic environment that, later turns into a larger urban setting and thus converts a single centered city into a multi centered one. In case of Klang Valley Metropolitan Area the shift of civic services to Putrajaya and in addition, development of Multimedia Super Corridor offering avant-garde global competitive incentives to local and foreign companies in order to develop a super block of research and development based economic sector to spearhead the Malaysian Vision 2020 of a knowledge based economy and society, is an attraction to the business community all over Malaysia. The purpose of this study is to discuss the key factors that have lured the companies from Kuala Lumpur Metropolitan Area to move to Multimedia Super Corridor physically. For which, companies were selected focusing on businesses in Finance, Insurance and Real-estate and a survey was conducted, the data gathered was analyzed to evaluate the ranking of variables of Bill of Guarantees offered in Multimedia Super Corridor policy using Mann-Whitney U test. The findings of the study has been that in addition to good infrastructure and good working environment the incentives offered in Bill of Guarantees of tax exemption primarily, has been the driver for companies to decentralize. The other factors include low cost of doing business as well as competitive conditions as attraction for companies to take up the special status. There are the problems of accessibility for clients and workers, high rental rates of the property in addition to limited e state and slow development of supportive public amenities such as public telephone booths, restaurants, shopping areas, etc. which is restricting companies from taking up the special status. Thus, the problems identified should be dealt by the Multimedia Development Corporation in order to achieve the task of getting more global companies to take up the Multimedia Super Corridor status in the second phase of development till 2010.