

urged to step up R&D

By K.H. Lim

SHAH ALAM, Fri. — The private sector should step up research and development to improve the quality of Malaysian products and increase the country's competitive advantage in the international market, the Prime Minister said.

Datuk Seri Dr Mahathir Mohamad said the private sector now employs less than 14 per cent of research and development (R&D) personnel.

In 1989, the private sector had only 1,835 R&D workers, 13.48 per cent of the total R&D workforce of 13,605.

Dr Mahathir said this when opening factories of Matsushita Air-Conditioning Corporation Sdn Bhd and Matsushita Compressor and Motor Sdn Bhd here.

He later laid the foundation stone of the Matsushita Air-Conditioning Research and Development Centre (Macrad) nearby.

He said R&D was now concentrated in institutions of higher learning and public bodies like the Rubber Research Institute of Malaysia, Forest Research Institute of Malaysia, Standards and Industrial Research Institute of Malaysia, Palm Oil Research Institute of Malaysia and the Malaysian Agricultural Research and Development Institute.

"In our efforts to be an advanced industrial country, R&D ... is important. The success of many companies and countries in various fields of industry is due to the priority given to R&D.

"Although R&D requires heavy expenditure, it benefits us in the long run. It not only improves the quality of Malaysian goods but also increases the competitive advantage of the country in the international market."

He added that new approaches or innovations could not be achieved if researchers were to believe that the existing approach or procedure was the only one possible.

"Researchers must be willing to change in an unorthodox manner, that is changes that are not based on existing knowledge.

"Such thinking must be followed up by practical trials because there is no theory that is so perfect that there will be no problems during implementation."

On Matsushita's involvement in Malaysia, Dr Ma-

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hathir said the group now had eight factories employing 16,000 workers. Six more would be operating in the next one or two years.

The group's success could be gauged from production of the eight factories which reached \$1.5 billion a year.

This is expected to increase to \$3.5 billion when all 14 factories are in operation.

On the group's contributions to the country, he said Malaysia was now the second largest exporter of room air-conditioners in the world after Japan with exports totalling 1.3 million units last year.

"This is an achievement which we can be proud of as it proves the capability and skills of Malaysian workers in manufacturing."

Speaking to reporters later, Dr Mahathir said many people had claimed that the Japanese, unlike other investors, did not transfer technology to Malaysia.

"My view is that the Japanese have also transferred technology to Malaysia."

He described Macrad as another serious effort by the Japanese to transfer technology to Malaysia.

"In fact, their objective is that the centre will be able to come up with new and innovative air-conditioning products which can be used by their mother company in Japan with royalty payments to Malaysia.

"Today, we pay royalties to Matsushita Research in Japan. By 1997 or 2000, we will be able to sell technology to Japan and this R&D will have more Malaysian engineers and researchers."

On the acceptance of North and South Korea as members of the United Nations today, Dr Mahathir said Malaysia welcomed it as this would overcome the problem of recognition.

However, he said Malaysia had no such problem as the country had diplomatic relations with both countries.