

# Private sector urged to emphasise R&D

**By Alex Choong and Chan Cheng Tuan**

PETALING JAYA, Thurs. — Datuk Seri Dr Mahathir Mohamad today urged the private sector to place more emphasis on Research and Development as this would enhance competitiveness of local companies.

He said much had been said about the need for developing countries to increase allocations for R&D.

However, the Prime Minister said, in Malaysia where the private sector had played a pro active role and constantly supported the nation's industrialisation programme, only a small group had showed their initiative and given their response in R&D investments.

"In my opinion, this problem is because R&D seldom brings profit in a short period."

"However, if private companies in Malaysia only have a limited short term vision, how can they dream of successfully achieving the long term objectives of Vision 2020?" the Prime Minister said when opening the RM100 million Sime Darby Tyre Technology Centre (SDTTC) in Jalan Tandang here.

The SDTTC had been established with technical assistance from Sumitomo Rubber Industries (SRI), the fifth largest tyre company

in the world.

Dr Mahathir had witnessed the signing of the agreement between Sime Darby and SRI for the project in June 1992.

He said training and development in scientific and technical skills would play an important role in preparing the necessary human resources requirement to make Vision 2020 a success.

He said without investments in R&D now, Malaysian companies would not be able to be independent in the future and would continue to depend on foreign technology which would decrease our competitiveness.

In other words, in today's world of commerce and industry where strong and famous product brands controlled the premium position in the market, it is important for local companies to develop their product brand names and introduced them internationally.

Dr Mahathir said if local companies wanted meaningful involvement in international trade, then they must strengthen their product brands, which must be recognised internationally and have an excellent reputation in terms of quality.

He cited an example of the Japanese automotive industry where Honda, Toyota and Nissan were not well-known brands at one time.

However, due to their determination in R&D and the enhancement of their

products' quality, Japanese brand names are now recognised in the automotive industry.

"Today, the Japanese no longer have to hide their brands or tie-up with famous European and American brands."

"I hope, just as Sime Darby had pioneered a R&D facility for tyre, it would also pioneer efforts to strengthen their products brand in the overseas market and in the future obtain international recognition through R&D and the increase in quality."

The Prime Minister said there was no country in the world which would be willing to give its technology for free and Japan was the first nation to realise this fact after having previously paid heavily for technical assistance fees or royalties to obtain basic technology.

However, Dr Mahathir said, the key to success as shown by Japan was to use the technical input as the base to improve and develop the technology acquired.

He added that without continued technological expansion, many manufacturing companies that wanted to maintain its competitiveness would have to spend repeatedly to obtain the latest technology and this would reduce the competitiveness of their products.

On the other hand, if technological advancement is a result of its own R&D, royal-

ties would not become a burden and supremacy of the products would be recognised.

Dr Mahathir also said many Malaysian entrepreneurs were not confident of the abilities of local researchers to invent or enhance technology.

"Actually, Malaysian scientists and researchers are already well-known. They have obtained many successes in the agricultural field."

"There may be some who think that research in the agricultural field is easier. Actually, the research and development process is not different no matter whether it is for technical, physical, electrical or electronic."

"If we have learnt the properties of the substance, product or machine, surely it will not be a problem to add or make minor alterations systematically by noting all character or performance produced."

"If such changes have been identified, the application could then be explored and sooner or later something new and better may be discovered. All it takes is hard work and systematic effort."

Dr Mahathir said there was no mystery in the field of research and the ability was not a gift for a certain race of people only, adding that anybody could do it as long as they persist.

He said researchers

should take note that nearly all the things we use were invented and produced in temperate countries for people with a different culture from those in the tropics.

Dr Mahathir added that just by giving attention to the needs of the tropical weather and the Malaysian culture, we could adapt the products we use daily.

After adapting, there would be a big market for our products in other tropical countries and among people with the same culture as ours, for instance Muslims.

When fully operational, the SDTTC will have a complement of 50 scientists and engineers.

The centre is aimed at facilitating technology transfer from SRI to Sime Darby tyre operations to provide solutions to technical problems for its factories, to undertake R&D work, to improve productivity and product quality and to set and regulate quality benchmarks.

Among those present at the ceremony were Primary Industry Minister Datuk Seri Dr Lim Keng Siau, Sime Darby Group Chairman Tun Ismail Mohamed Ali, SRI Ltd Chairman S. Katsurada, Sime Darby deputy chairman Tunku Tan Sri Ahmad Yahaya, its Group Chief Executive Nik Mohamed Yaacob and SDTTC director of research Dr A. Kadir Mohamed.