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Shock treatment to jolt R and D? (HL)

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COMPANIES that would not invest on research and development (R and D) may be sidelined for new projects or even lose their business licence if a proposal by the Malaysian Industry-Government Group for High Technology (Might) is adopted.

Fed up with the attitude shown by local businesses towards R and D, Might chief executive Dr Ahmed Tasir Lope Pihie has suggested that the Government adopt a clause requiring companies to upgrade their R and D facilities and provide for the latest technology applications before any new project is approved.

Companies that fail to observe this run the risk of losing their business licence.

"Such shock treatment will jolt the whole industry and force businesses to re-evaluate the use of high-technology in their day-to-day operations," he said in the Might 1996 annual report issued yesterday.

Ahmed Tasir said despite the infrastructure and incentives made available, business entities and fast-developing corporations are not increasing their R and D allocations. "Few companies actually include strategic planners with research backgrounds and expertise at board level."

He said decisions on the progress and future of any company should be based on technology, particularly in the context of its development, application and diffusion, a feature he said is "sorely lacking in Malaysia".

"Most corporations appear to be too far removed from the intricacies of science and technology," he said.

Ahmed Tasir also said merely having an annual budget for R and D activities is not sufficient as firm commitment and long-term plans are needed to integrate science and technology into the business plan of the company.

Might is not the first one to be upset with the attitude of local companies towards R and D. Earlier this month, International Trade and Industry Minister Datuk Seri Rafidah Aziz commented on the "unsatisfactory level" of such efforts.

Rafidah had said that the private sector's share of total R and D expenditure improved in 1994 to 47.9 per cent from 45 per cent in 1992. But Malaysia in 1996 ranked 40th in the world in terms of R and D expenditure as a percentage of gross domestic product (GDP), having devoted only 0.17 per cent of its GDP.

This is despite various government measures to boost R and D. Under the Intensification of Research in Priority Areas programme, 1,583 projects were approved for the 1996-98 period, with a total allocation of RM137.5 million. In addition, the Government this year launched the RM100 million Industry Grant Scheme, which operates on a cost-sharing basis, in an effort to promote closer private-public sector R and D cooperation.

The Federation of Malaysian Manufacturers has also drawn attention to the unpopularity of R and D. Among the local firms it interviewed in a recent survey, 55 per cent did not conduct their own R and D.

Ahmed Tasir noted that outsourcing R and D requirements through research institutions overseas seems to be a trend among Malaysian companies. While it may be necessary in some cases, he said R and D capabilities should be transferred to Malaysia and its application encouraged among related

industries.

The Might chief suggested that with the high costs and risks involved in new R and D projects, big players in the industry should start the ball rolling. "After making progress, these companies should form joint ventures with smaller players to help raise industry standards."

Might is a partnership between the industry and the public sector in Malaysia, working together to prospect for business and technology at the domestic and international marketplace.

Its patron is Prime Minister Datuk Seri Dr Mahathir Mohamad, who said in his message in the annual report that Might is in the process of preparing a database on new and emerging technologies for the benefit of the industry and academia.

"It is indeed timely that a comprehensive database on emerging and frontier technologies be developed for reference, definition and utilisation by both the private and public sectors and academics," Dr Mahathir said.

He added it is crucial that concentrated efforts are made for Malaysia to sustain and enhance its competitiveness in the global market by adopting new technologies and becoming an adept and innovative user of technology to solve problems and to create new businesses.

"The challenge for the manufacturing and industrial sector is to increase technological content of its products and processes," he added.

The Prime Minister also commended the work Might has done, saying that the group has proved to be a unique and effective organisation, able to harness high technology for businesses since its inception

He said the private-public partnership has helped the Government to develop suitable strategies and policy direction for the application of cutting edge technologies.

"I am pleased to note that it has contributed towards shaping the nation's competency in high technology. This should help ensure that Malaysia achieve its goal of becoming an industrialised nation by 2020."

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