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Private sector lags in R&D

THE Prime Minister did not mince his words when he expressed disappointment that many findings and products of Government research agencies had received no response from the private sector. Speaking to reporters after the launch of the Technology Park of the Malaysian Institute for Nuclear Technology/Research on Tuesday, Datuk Seri Dr Mahathir Mohamad commented that the private sector is more interested in obtaining profit the easy way like constructing houses and buildings which do not require much skill nor, we could add, research. Indeed, he said: "In Malaysia, not only we do not conduct research... we also do not use research findings of others."

This is not the first time that the private sector's lag in research and development had come under critical scrutiny. The statistics manifest the pathetic state of affairs. A survey by the Malaysian Institute of Management last year showed that 20 per cent of the 166 responding companies had no R&D programme and that more than 70 per cent spend less than two per cent of their revenue on R&D. Another finding, the Federation of Malaysian Manufacturers 1996 chief executive officers' survey, revealed that the majority of respondents, 55 per cent, do not conduct any R&D.

Among the reasons cited for not carrying out R&D were: One, operations were too small to justify R&D divisions; two, difficulty in recruiting local staff with R&D expertise; and three, investment was too expensive. But given the various facilities, schemes and programmes the Government has initiated the reasons appear to be mere excuses.

For one the Government provides grants for the Intensification of Research in Priority Areas. A sum of RM200 million was set aside for 1996. Through this scheme, the private sector could seek ringgit-for-ringgit grants to undertake research. But sadly as the Science Adviser in the Prime Minister's Department Tan Sri Dr Omar Abdul Rahman noted a year ago, the private sector's response had not been too encouraging.

For another the Government has a host of research facilities. Even universities can help out in carrying out specific research projects. So the question of investing in in-house facilities does not necessarily arise for companies that are not big. The same applies for lack of expertise. According to one survey, 79 per cent of the 1,633 professional researchers are with the Government and institutes of higher learning. Surely the private sector can avail themselves of the services of these facilities and staff to carry out R&D.

The facilities - and incentives - are there. What is required now is a change in business strategy to invest in product development by the private sector. True, investment in R&D would not bring short term profits. But the reality is that companies can no longer persist in looking for new markets to sell the same products. Neither can they continue to rely on foreign technology which more often than not would not be state-of-the-art. With increasing competition, the global market is continually shrinking, not expanding. Exporters have to adopt, adapt and innovate new technologies that would give their products a competitive edge in markets, both old and new. Only then would Malaysian products receive recognition and acceptance in the international market.

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