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R and D must meet market needs: PM

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RESEARCH and development (R and D) activity in Malaysia must be aimed at meeting specific needs of the market if research findings are to be successfully utilised, Prime Minister Datuk Seri Dr Mahathir Mohamad says. He said without such an intimate understanding of the end-user's needs, even the best technical research findings may not be utilised at all.

"This shortcoming in research utilisation can be attributed to, among others, the failure of many of our researchers and technologists to relate their work to tasks such as reducing costs or enhancing productivity or increasing the value of the products sold," Dr Mahathir said.

He said this when opening the Invention, Innovation, Industrial Design and Technology (I.TEX '99) Exhibition in Kuala Lumpur yesterday.

His speech was read by Science, Technology and Environment Minister Datuk Law Hieng Ding.

Dr Mahathir said while emphasis on supply side issues namely production of skilled personnel, infrastructure and the provision of grants and incentives are crucial, they must be equally matched by attention to demand side issues.

These include the strengthening of industry's capacity to innovate as well as specific programmes that will draw upon the outputs of industry.

He said the more ideas that firms come up with, the greater is the likelihood that at least a few of these will turn out to be commercial successes.

"This constant flow of ideas is vital since the attrition rate for transforming research findings into innovation is high. Many studies have found that almost nine out of ten new ideas do not work," Dr Mahathir said.

ITEX has exhibited some 720 inventions and technologies over the past decade, of which about 25 have made it to the market.

He said aspects pertaining to transfer of research findings from public research institutions and universities to industry, especially to small- and medium-sized industries (SMIs), must also be adequately addressed.

Dr Mahathir said these and several other issues pertaining to Malaysia's innovation system will be examined in the review of the National Science and Technology Policy.

This is currently being undertaken by the Academy of Sciences Malaysia on behalf of the Ministry of Science, Technology and the Environment.

"This review exercise is important since the environment under which the original policy was first formulated in 1986 has changed dramatically. We cannot confront the new century with the strategies of the old," he said.

Dr Mahathir said the Government has devoted substantial resources to the development of the Science and Technology Policy under the Seventh Malaysia Plan.

In addition, a number of specific R&D schemes have been introduced aimed at sharing the risks with industry in undertaking such activity. These include the MSC R and D Grant Scheme, the Industry R and D Grant Scheme, the Demonstrator Applications Grant Scheme, the Commercialisation of the R and D Fund, and the Technology Acquisition Fund.

"This sizeable funding of industry-driven research is crucial since it is at the company level that research findings can best contribute significantly towards wealth creation through generation of new or improved products, processes or services," he said.

Dr Mahathir said the response to these schemes has been very encouraging and the Government will consider increasing the allocation to these schemes under the next plan.

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