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LAW-MGS

MALAYSIAN COMPANIES URGED TO TAKE UP MSC R&D GRANTS

KUALA LUMPUR, Sept 24 (Bernama) -- Local MSC status companies have been urged to use the MSC Research and Development Grant Scheme (MGS) provided by the government to conduct R&D activities, Minister of Science, Technology and Environment, Datuk Seri Law Hieng Ding said.

A strong engineering and R&D backing will enable them to compete globally.

Despite various initiatives that have been undertaken by the government, the research tradition is still fairly new in Malaysia, he said when addressing the first gathering of recipients of the grants in Seri Kembangan near here today.

The gathering included a briefing on the progress and successes of the scheme as well as the potential new areas and development of MGS.

Law said that Malaysia not only needed a strong industrial and knowledge base but also a strong R&D culture that will help generate new ideas, products and opportunities.

With this in view, industries have been strongly advised to work closely with institutions of higher learning to access the pool of researchers available in the institutions.

He said in this manner, the industries could leap frog in their R&D works without having to invest in human resources.

"But of course in the long run, it is prudent for industries to have their own research team especially with the budget 2003 announced by the Prime Minister Datuk Seri Dr Mahathir Mohamad last Friday where RM100 million has been allocated for private sector to access to train their researchers," he said.

He added the MSC has been set up as a green-field for R&D activities.

Based on the recent MSC Impact Survey, in 2001, R&D expenditure by MSC status companies stood at RM300 million.

"This is a very significant increase when we consider the figure in 1997 where the amount spent was only RM9.5 million," he said.

As a percentage of sales, MSC status companies spent in 2001, 9.3 percent compared with 9.9 percent by world class IT companies.

This, Law said indicates that MSC-status companies R&D is comparable to the spending of world ICT companies.

In terms of patent applications, the minister said 30 applications were filed in 2001.

"It is projected that in 2002, the number will increase to 85 applications and subsequently to 133 in 2003," he said.

He added as MGS recipients, to further encourage the development of R&D, the government through the Ministry of Science, Technology and Environment (MOSTE) established the MSC R&D Grant Scheme for local Malaysian MSC status companies.

The grants provides up to 70 percent of the total estimated project and no repayment is required.

Currently, the total amount of the grant approved for 29 projects stood at RM62 million, of which RM32.04 million has been disbursed.

"With an additional RM200 million approved under the eighth Malaysia Plan, we look forward to funding more worthy and innovative R&D projects in the MSC," Law added. -- BERNAMA

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