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MALAYSIA-R&D

MALAYSIAN COMPANIES GIVE LOW PRIORITY TO R&D AND TECHNOLOGY ACQUISITIONS

KUALA LUMPUR, Dec 24 (Bernama) -- The uncertain global economic environment today has forced many Malaysian companies to be conservative and short-term in their outlook, which means that research and development (R&D) and technology acquisitions are low on their priority.

"To many company executives and more so in the boardrooms, keeping the company afloat is the number one pre-occupation," said Malaysia Industry-Government Group for High Technology (MIGHT) joint chairman (Industry), Tan Sri Dr Ahmad Tajuddin Ali.

Even for companies that are doing reasonably well, investments in safe, quick-return projects are preferred over riskier longer gestation, higher-technology undertakings, he added.

He was delivering a report and observation from the industry's perspective on "High Technology Industries in Malaysia - The Way Forward" during a special briefing to MIGHT patron, Prime Minister, Datuk Seri Dr Mahathir Mohamad.

Even during the good times, the gross expenditure on R&D in Malaysia has been way below what is expected of a fast-developing nation, he said.

He pointed out that the country's indigenous technological capability was dismal and the country's research institutes and universities had not been able to react to the needs of the industries, to partner in the exploitation of research findings and new technologies for wealth creation.

Therefore, local companies and the nation remained a net importer of technologies paying handsomely for the right to use technologies developed by others for production processes, and for needs in practically all sectors of the economy and even for defence and security.

He said there must be a continuous and systematic effort to prospect for strategic technologies in the traditional fields and more so in the new potential future areas such as biotechnology, photonics, nanotechnology and advanced materials.

"We must continue to nurture the growth of new technology-based companies, provide an environment conducive for entrepreneurs and corporations to venture and invest in higher technology-based undertakings, building a capability to meet local needs and creating opportunities for the export of products and services," he added.

The industry will be looking at the Government to put in place various funds and machinery to mitigate the risks normally associated with investments in high technology sector.

He felt the large Government-owned corporations should be tasked to invest in these more "risky but high return" sectors.

Government procurement of products and services must continue to be "means" for inducing the development of local capabilities in new technologies.

He said the government and the bigger corporations involved in areas such as telecommunications, power, oil and gas, automotive, and transportation must continue to nurture the growth of smaller entrepreneur-led companies through vendor development schemes so as to form the basic foundation and fabric of Malaysia's industrial strength.

Meanwhile, MIGHT joint chairman (Government), Tan Sri Dr Ahmad Zaharudin Idrus said Malaysia could be more successful if it adopted certain business and technological strategies that could effectively deploy Science and Technology on a wider scale and higher intensity in the

industrial sector.

New opportunities are emerging in the areas of photonics, nanotechnology, and bio-technology.

"In exploiting these new areas, we must be brave enough to take risks and to be innovative in commercialising such technologies," he said, seeing the need for new institutions to spearhead commercial exploitations.

He also suggested the need for rationalisation to concentrate on niche areas, as happened in aerospace sector, to increase the chance of success and maximised limited resources.

In the biotechnology areas, there are equitable niches to be filled, where Malaysian companies could seize the opportunities to be part of the global development, he added.

Dr Ahmad Zaharudin also felt that initiatives needed to be in place, with respect to Human Resource Development, to enable high-tech know-how to grow within various sectors in the Government, academia and industry for it to be effectively crossed utilised.

In setting the platform for breeding and grooming new scientists and technologists for the future, the capability of the various learning institutions in the country, be it public or private-owned, must be enhanced, he added.

As creativity, innovation and entrepreneurship are essential characteristics to be cultivated in our future scientists and technologists, "dedicated" or "elite" universities and institutions for future high-tech human resource development is definitely a worthwhile investment, he said.

On funding issues, Dr Ahmad Zaharudin said the key issue was whether there was merit in decentralising Government R&D budget to other appropriate fund managers or institutions to allow researchers acquire funds without having to undergo through arduous screening by those who might not realize the potential of the high risk venture.

He said it was imperative for Government to respond to changes with relevant policies for the management of science and technology and to address the acute shortage of successful research and development projects.

New mechanisms that allow investments in high risk areas must be develop to ensure that risks are minimised, and the nation is able to respond to changes in technology and economic environment, he said.

Technology acquisition will continue to be a strategic mechanism for the country to speedily acquire technological capability besides conducting R&D, he added.

He said MIGHT also proposed fostering regional business and technology dialogue - "Business Technology Partnership" (BTP) between the region of Asean and initiate Business Technology Partnership dialogue with Thailand and the Mekong Region. -- BERNAMA

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