

11 OCT 2003

Mahathir-Capitalists

VENTURE CAPITALISTS NEED TO CHANGE THEIR MINDS AND WAY OF WORKING

PUTRAJAYA, Oct 11 (Bernama) -- Datuk Seri Dr Mahathir Mohamad said today banks and financial institutions need to change their minds and way of working in evaluating inventions and new ideas to allow new technologies to be produced.

The prime minister said that banks and financial institutions were still unable to evaluate inventions and news ideas, and not willing to risk their money, even though they are so-called venture capitalists.

"Even venture capitalists are very careful about investing. So, we don't have that culture yet. Our banks lend money on the basis of collateral.

"If we have collateral, sometimes the collateral is worth more than 100 per cent of the money they are going to lend. They have to change their minds and their way of working," he told a media conference after opening and touring Malaysia's first mega research and development (R&D) laboratory of InventQjaya Sdn Bhd (IQJ) in Cyberjaya, near here.

Dr Mahathir, who is also finance minister, said it would take them some time to change their minds.

Dr Mahathir was asked to elaborate on his speech urging banks and financial institutions to finance research projects, even those which carried the risk of not producing results.

Admitting that even the government was also reluctant to invest in such invention projects like the IQJ laboratory, he said the government had questioned whether they could really do it but they needed the money to get it started.

"We (the government) took the risk. We built the laboratory, purchased the equipment and all that... very expensive equipment and we are beginning to see some results," he said.

To a question whether the Intensification of Research in Priority Areas (IRPA) grant provided by the Environment, Science and Technology Ministry should be extended to inventions and new ideas, Dr Mahathir said it was not a matter of extending it but more of an evaluation process.

"We want to know whether or not an idea can take off. That's why we ask for a demonstration but they can't demonstrate without building first. To build, they need money. Without money they cannot demonstrate.

"So, which one? Where do we begin, where do they break the cycle?" he said.

To a question on the mechanism to commercialise inventions and new findings, he said it would take some time.

"For example, the motorcar (MeVictory) can travel, obviously for a long distance, but it needs modification. And that modification is a laboratory modification. It's not a commercial modification which will be much neater and properly done," he said.

Earlier, Dr Mahathir flagged off IQJ-MeVictory, a modified hybrid car powered by metal fuel, which will travel from Cyberjaya to Alor Star in conjunction with the launch of the laboratory, a joint venture between the Malaysian government and Reveo Inc. of the United States.

The vehicle will attempt to break the previous record run of 344.67km done by Reveo, in New York. In a test run in Cyberjaya on Thursday, it covered 516km.

The prime minister said that the country was in the learning process of commercialising its new inventions and ideas.

"You must remember that electronics were invented by the Europeans but it was Sony (of Japan) which decided to use this thing for the 'Walkman'. So, between those people who invented it, who would not commercialise (it), there's somebody else who would commercialise it," he said.

Commenting on IQJ's success in its inventions and new high technologies since the inauguration of a "Fast Track" laboratory here last January, Dr Mahathir said it was good as quite a good number of inventions and ideas had been produced and could be commercialised.

"There are many other ideas which are being worked at. I think eventually they will be able to produce things that the world can see and use and accept as a technology originated from Malaysia," he said.

The prime minister also expressed satisfaction with the inventions and products produced by IQJ.

-- BERNAMA

HS SM AZZ JK