

**SPEECH BY  
YAB DATO' SERI ABDULLAH BIN HAJI AHMAD BADAWI  
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Terlebih dahulu saya ingin mengucapkan terima kasih kepada Sirim Berhad kerana sudi menjemput saya untuk menghadiri majlis Sirim-Industri ini. Saya berbesar hati kerana berpeluang untuk sama-sama meraikan syarikat-syarikat swasta dan juga agensi kerajaan yang telah berjaya mendapat pelbagai persijilan Sirim bagi tempoh Julai hingga Disember 2002. Tahniah diucapkan kepada saudara- saudari sekalian. Syabas juga diucapkan kepada Sirim di atas kejayaannya memupuk hubungan kerjasama yang erat dengan pihak industri serta di atas usahanya untuk mempertingkatkan keupayaan teknologi di dalam negara.

2. We live in uncertain and fast-changing times. The world of tomorrow will be different from that of today. We will see greater competition and even more rapid advances in science and technology. Nations all over the world will become increasingly sophisticated, and markets will demand more and more innovative and better quality products and services. As members of the industry, you have seen first-hand, and will continue to see, tremendous challenges. Your products and services will be subjected to increased scrutiny in terms of price, quality and differentiation. Your customers will become even more difficult to please, your suppliers more difficult to deal with, and your competitors more difficult to counter.

3. The challenges confronting the nation will also be immense. On the one hand, low cost economies (like China) can and will flood the worldwide markets with goods and services that are both of good quality and inexpensive. On the other hand, more developed countries will continue to employ cutting-edge technology to create new products and services altogether. Malaysia must not allow itself to be caught in between the two polars. We must move up the value chain. We have already successfully transformed from being an agriculture-based society to become an industrial-based society. We must now evolve yet again, to become a knowledge-based economy (K-economy).

4. Central in a K-economy is the ability to innovate, particularly to innovate new technology. I have said it before, and I will say again: Malaysians must not be mere consumers of technology, we must also be creators of technology. Technology creation is where most of the value is captured. We must never be content to wait for foreign technology, to be used in our operations; this is plain indolence. We must overcome any lackadaisical attitude we may have towards technology. We must be curious about technology, to tinker with it, to emulate it, and to improve upon it, for the benefit of all in Malaysia.

5. Scholars have argued that technological innovation is characterised by increasing returns to scale. In other words, the more innovations you have, the more new ideas you will create. Societies that have a critical mass of technological ideas will experience self-sustaining growth, while societies that are short of the critical mass will experience stagnation or decline. In this sense, we may continue to see the widening of the gap between the rich and the poor in the world. As it is, the high income regions (Western Europe, North America, Japan and the newly industrialised

countries, and Oceania) represent only around 16 percent of world population and 58 percent of world G.D.P., but account for around 87 percent of all scientific publications and 99 percent of all European and U.S. Patents.

6. Malaysia lags behind many countries in the field of R&D, whether in terms of expenditure or in terms of scientific personnel. As such, the innovation system in Malaysia must be strengthened. We must sow the seeds to germinate and develop an innovation culture, among our young. All organisations, whether in the public or private sector, must play a role in upgrading R&D in the country. The government will continue to invest in improving our scientific base and technological infrastructure. We will continue to support R&D through the disbursement of various grants and incentives. However, companies must be able to add value to the research conducted, by turning pure theory into market-driven products for consumers. Indeed, I believe that commercialisation of research is our biggest challenge yet in this field.

7. I hope that our push for greater R&D will occur at all levels, from high technology products and processes, to more humble products from our kampungs. For example, Sirim's expertise should also be geared towards the mechanisation of local handicrafts while maintaining the uniqueness of products that have been artistically enriched through the generations. By injecting technology into these small and medium scale industries (S.M.I.'s), we would be able to extend the market reach of our cottage industries internationally.

8. I am pleased to note that Sirim has won various international accolades, including a gold and two silver medals at the 30th international exhibition of inventions, new techniques and products of Geneva, held in May 2002. I have also been informed that Sirim was recently honoured by being invited to be one the nine founding members of global research alliances, a consortium of world-renowned R&D organisations. These achievements are meaningful as they demonstrate the country's capability to participate in high technology fora and in developing world class technology. We must do more. I hope that Sirim, with its team of highly trained researchers, will continue to play a significant part in promoting technological innovation in the country.

9. The companies and other organisations honoured here tonight have taken the right step in advancing technology in their respective organisations. I would like to extend my heartiest congratulations to them and to the recipients of the special awards, for their successful participation in Sirim's certification schemes. I would also like to urge other companies to follow suit and to avail themselves of the many facilities provided by Sirim and other government agencies. I hope that the smart partnership between the government and industry, in the true spirit of Malaysia incorporated, will continue to strengthen and flourish in the years to come, as we work together to join the league of developed nations by 2020.

Thank you.