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Malaysia needs to adapt to changes and be innovative to achieve sustainable growth, says PM [NSTTV]



KUALA LUMPUR: Malaysia needs to adapt to changes and be innovative to become a resilient digital nation and achieve sustainable economic growth.

Prime Minister Datuk Seri Ismail Sabri Yaakob said this could be done by embracing technology and innovation, with research, development, commercialisation and innovation (R&D&C&I) being the key factors.

"Idea exploration and new knowledge from research leads to quality innovation that will be a catalyst for socioeconomic development and the well-being of Keluarga Malaysia.

"The government realises the importance of a conducive ecosystem to encourage more investments in the production of services and products, by making innovation as the main focus."

He said this at the launch of the Malaysia Innovation Conference 2022 here, today.

To support such efforts, he said, the government had approved 99 R&D&C&I projects and programmes in 2021 and 2022 for the innovation sector under the 12th Malaysia Plan worth RM5.6 billion.

In the aspect of commercialisation, Ismail Sabri said at least 50 per cent of the total R&D expenditure should be directed towards experimental and development research, in addition to producing more technology creators and local technology entrepreneurs to generate wealth and economic growth.

"In the year 2025, the gross domestic expenditure on R&D (GERD) to the gross domestic product is expected to achieve 2.5 per cent compared to 1.5 per cent in 2018.

"For this purpose, private sector contributions are targeted to reach 70 per cent from the total R&D expenditure, with alternative funding sources including venture capital and endowment funds being enhanced," he said.

He also said there were innovation-related challenges that must first be tackled before the country could achieve a high-income nation status.

This included low public and private sector investments in R&D&C&I compared to other developed nations.

He said in 2018, the GERD of South Korea was at 4.52 per cent, and Japan at 3.22 per cent, while Malaysia's rate was 1.04 per cent.

"The R&D&C&I landscape in Malaysia differs than developed countries because nearly 80 per cent of researchers in the country in 2018 were in higher education institutions while 97.4 per cent of entrepreneurs were micro, small and medium-scale enterprises.

"Only five percent of about 5,435 start-ups between 2010 and 2020 were technology-based.

"Therefore, for a short- and medium-term approach, collaboration between researchers and entrepreneurs needs to be implemented to improve local innovation."

He said this was in line with the Malaysian Start-up Ecosystem Roadmap 2021-2033, targeting 5,000 start-ups and five unicorn companies worth more than US\$1 billion by 2025.

He also said the three entities established to develop the innovation ecosystem, namely Research Management Unit, Malaysian Research Accelerator for Technology and Innovation, and Malaysian Science Endowment, must work together to ensure R&D&C&I as well as intellectual property become high value-added products.

This, he said, would put Malaysia in line with advanced innovation-based countries such as South Korea, Switzerland and Singapore.

Also present at the launch were Minister in the Prime Minister's Department (Economy), Datuk Seri Mustapa Mohamed and United Nations Assistant Secretary-General Kanni Wignaraja.