

TARIKH : 23 NOVEMBER 2022  
AKHBAR : THE SUN  
MUKA SURAT : 2

Malaysia needs tech-driven economy, says economist

# Malaysia needs tech-driven economy, says economist

BY RAJVINDER SINGH  
newsdesk@thesundaily.com

**PETALING JAYA:** Malaysia needs to restructure its economic activities by concentrating on a technology-driven economy with high value-add to offer a better future for the people, said Sunway University economics professor Dr Yeah Kim Leng (pic).

He said there is an urgent need for the new government to shift to higher-value economic activities to generate high incomes and for industries to move up the value chain through a fast-paced industrial technology upgrade.

"The nation should invest in industries related to the digital economy and those involved in green technology, as they are in line with global economic developments. The government must create policies that encourage innovation and technological development.

"It is also important to have measures that promote

► 'New govt must urgently shift to higher-value economic activities to generate top incomes and for industries to move up value chain'

upgrading because at present, local industries are slow in raising their technological capabilities and are far behind many countries in the region."

He said Malaysia is losing out because its industries are unable to compete with those that have incorporated more advanced technologies in their economy.

Yeah added that it is important to have human capital development in areas where the country can bolster its technological capabilities since it lacks such qualified people at present.

He also said local industries are slow to adopt technology such as automation, and if this



country's economic growth comes from a few select industries. Hence, there is a need to push for development across all sectors.

Universiti Utara Malaysia economics professor Dr K. Kuperan Viswanathan said the government should develop policies that attract foreign investments in new areas of technology.

"Currently, many local companies are concentrating on the mid-level economy, where activities are concentrated on the production of televisions, refrigerators and other (household) appliances.

"Companies must be encouraged to get involved in the digital economy and other fast-growing economic activities."

Kuperan said the education system has to produce workers for the digital economy, fintech and other such emerging fields.

"The government also needs to promote better use of the nation's natural resources rather than just selling them. Doing so will diversify production and promote more exports that ultimately benefit our gross domestic product."

He said it is equally important to ensure that workers' minimum wages reflect the actual cost of living.

Kuperan added that foreign investors would favour the country if they know there will not be any kind of worker strife due to wage versus cost of living issues.

were to be done at a quicker pace, the country could reduce its reliance on foreign labour.

"There is an urgent need to develop an economic agenda that is comprehensive and holistic."

He said investors still view Malaysia as an attractive place to invest in. But to attract high-value investment, the government must get companies to accelerate their technological transformation.

Yeah said close to 80% of the

