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News

PM: Digitisation – Adoption of Technology – Innovation Critical For Sustainable Economic Growth

By **Editor** - August 2, 2022

Rational of Logo



In realising the enablement of Malaysia's successful transition from a middle-income nation to a high-income nation by 2025, the Malaysia Innovates Summit 2022 seeks to initiate a broad policy perspective on Commercialisation and Innovation (C&I) policy and practices, based on experiences drawn from the country's innovation systems and that of advanced economies.

Prime Minister Datuk Seri Ismail Sabri Yaakob, who officiated the two-day summit today — under the theme of 'Innovation Generates Sustainable Prosperity' — called for emphasis on digitisation, adoption of technology and innovation as these forms the basis for sustainable economic growth.

"Therefore, for this purpose and to support the development of innovation in Malaysia, in the period of 2021 until 2022 — during Rolling Plan 1 and 2 under the 12th Malaysia Plan (RMKe-12) — the government approved 99 R&D&C&I projects and programmes with costs amounting to RM5.6 billion.

“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,” said Ismail Sabri.

In the aspect of commercialisation, Ismail Sabri added 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.

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

Ismail sabri was quick to state that the summit provides space and opportunities to encourage collaboration various parties through the sharing of information, experience and best practices

among government agencies, the general public, private sector, startups, tech entrepreneurs, communities scientific and creative including at the grassroots level and B40.

The Summit is a collaborative effort of the Research Management Unit, Manufacturing Industry, Science and Technology Division (RMU, BIPST), Economic Planning Unit, Prime Minister's Department (EPU, JPM) together with the United Nations Development Programme (UNDP) and seven selected ministries and this will culminate with the launching the Malaysia Innovates Report 2022

This conference is implemented based on three main themes that are aligned with the current socio-economic needs of the country which is Agriculture Sustainability and Food Security, Sustainable Communities and Green Cities as well Sustainable Business.

The summit, held at the Malaysian International Trade and Exhibition Centre (MITEC) from Aug 2 & 3, facilitates discussions related to multi-stakeholder collaboration and partnership through the sharing of information, experiences, best practices and policy advice among government agencies, civil society, the private sector, the scientific community, the innovators including grassroot innovators, B40 innovators, start-ups, technopreneurs, and further enhance the ecosystem for impact investing.