

SPEECH
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**SUCCESSFUL SMES AND INTELLECTUAL PROPERTY RIGHTS –
CARVING THE COMPETITIVE EDGE WITH IP SEMINAR**

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(All the Salutations)

Assalamualaikum Warahmatullahi Wabarakatuh.

A very good morning, Salam Sejahtera and Salam 1Malaysia.

1. It is indeed a pleasure and an honour to join all of you here for the **“Successful SMEs and Intellectual Property Rights - Carving the Competitive Edge with IP”** Seminar. I wish to thank the organisers, Intellectual Property Corporation of Malaysia (MyIPO) and SME Corp for inviting me to officiate this event.

2. I am very glad to be a part of the event which addresses the theme of innovation, technology and IP as it is closely linked to the mandate of my Ministry, which is to ensure that Malaysia benefits from the advances and adoption of Science and Technology (S&T) for overall societal wellbeing and prosperity.

3. Under the 11th Malaysian Plan (2016-2020) with the theme of **“Anchoring Growth on People”**, one of the 6 thrust is **Innovation and Productivity**. In addition, MOSTI has also declared this year as Malaysia Commercialisation Year (MCY) 2016, with the main objective of accelerating commercialisation and monetisation of technology and IP.

4. All these initiatives underscores the Government’s focus on anchoring the economy on knowledge and innovation to spur and sustain growth for the country to achieve a high income nation status and to have the ability to sustain the growth through a knowledge based economy.

5. In Malaysia, the latest statistics shows that 97.3% of the total business establishment of the country are SMEs, which equates to around 645,000 businesses. SMEs contributes nearly 36% to the national GDP, 65% of total employment and 17.8% of total exports.

6. These economic indicators and corresponding numbers proves that SME is the backbone of the economy. Thus, it is imperative SMEs are provided with the necessary assistance and guidance to navigate the ever increasing complex and tougher competition to not only survive but to thrive.

7. The increasing global trend of building corporate and national wealth via investments into intangible assets such as IP is gaining more traction. The Organisation for Economic Co-operation and Development (OECD) in 2013 published statistics to show that more developed nations have higher **Intangible Assets Investments** as part of their GDP compared to lesser developed nations. OECD further reports that countries like the United Kingdom, Japan and the United States have already exceeded the investments in the intangible assets as a share of GDP compared to investments in tangible assets.

8. This means that SMEs are required to up their game and understand the rules of the IP and intangibles game so that they too are able to design and carve out smart and effective strategies to compete in the global landscape and the borderless market.

Ladies and gentlemen,

9. I sincerely hope that this programme will provide the first of many engagement and awareness sessions to our country's SMEs on how to capture your intangibles and IP assets of your company, how to value them to unlock their true potential and how to generate income from these assets.

10. As IP is the driving force for spurring innovation, stimulating creativity and facilitating trade & investment, the Government is deeply

committed to develop IP rights into a source of new wealth creation and to raise the entrepreneurship and business value chain to a higher level.

11. There will be speakers from several Government agencies such as SME Corp, MyIPO as well as MTDC who are sending their senior executives to enlighten the SMEs and participants on the overall direction of Government initiatives and programmes available to assist SMEs in various areas, such as grants available for commercialising IP and Technology, protection of IP and brand building as well as capability development on IP rights.

12. I was made to understand that these programmes are designed to provide a conducive and suitable platform for the Innovation and IP ecosystem to thrive. As Malaysia is considered as a small nation, we must craft and develop a strategy which will allow us to position our economy to compete effectively among the other bigger and more formidable nation. In order to do this, we must first understand the rules of the IP game and how to leverage our key strengths to carve a niche in the global stage.

Ladies and gentlemen,

13. Aside from wealth generation of IP through licensing, having an effective IP strategy is also key to build economic confidence of foreign companies. Recent study by the OECD has further quantified the benefits of IP protection for Foreign Direct Investment (FDI), not limited to patent protection but also copyright and trademark. For example a 1% increase in the strength of patent protection correlates to a 2.8% increase in FDI. A similar increase of trademark and copyright protections correlates to a 3.8% and a 6.8% increase in FDI, respectively.

14. Increase in foreign investments will also enable a better platform for technology and skills transfer to take place, provide channel and platforms to access global markets through these investors and thereby reinforcing the continuous cycle of innovation.

15. While SMEs have contributed tremendously to the country's GDP, the numbers of SMEs involved in the investment of development of technology and IP such as patentable inventions and innovations are still low in comparison with the number of SMEs in the country.

16. We are well aware of the various driving factors which determines whether or not SMEs are adopting technology and innovation as part of their continuous improvement strategy. Considerations such as need, cost and risk are the 3 key most issues of concern for SMEs when deciding in spending on development of STI.

17. There are various existing programmes offered by various ministries and agencies which are tailored to address the various obstacles, for example, Technology Park Malaysia has invested in machineries and equipment which can assist SMEs in automation of their production processes. There is also a platform called the Public Private Research Network (PPRN) which facilitates products and process improvement and innovation projects between the public universities and SMEs.

18. These platforms are based on smart partnerships approach to reduce the risk and level of investment for SMEs who are keen to adopt technology and innovation but lack the expertise, resources and experience required to undertake these projects.

Ladies and gentlemen,

19. MOSTI will continue to provide intervention and effective policies to solve the existing challenges faced by SMEs in commercialising their technology and research and also to equip SMEs with the necessary capability to enhance their offerings and subsequently improving their position.

20. Before I end my speech, I would like to take this opportunity to thank all the speakers who will be sharing and contributing their expertise and insights today. It is my fervent hope that all of you will have a productive and fruitful seminar. Thank you and Wassalamualaikum W.B.T.