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MINISTRY OF SCIENCE, TECHNOLOGY AND INNOVATION

PRESS RELEASE

MINISTRY OF SCIENCE, TECHNOLOGY AND INNOVATION

INCREASED INVESTMENT AND PARTICIPATION IN RESEARCH & DEVELOPMENT (R&D) STRENGTHENS MALAYSIA'S ASPIRATION TO BECOME A HIGH-INCOME, INNOVATION-DRIVEN NATION

PUTRAJAYA, 17 JULY 2025 – The Ministry of Science, Technology and Innovation (MOSTI) in collaboration with the Department of Statistics Malaysia (DOSM) has conducted the National Survey of Research and Development (R&D) for the financial year 2022. This biennial survey is aligned with the principles of **Innovation (Daya Cipta)** and **Sustainability (Kemampanan)** under the **Malaysia MADANI** framework, aimed at assessing the performance of national investment and involvement in R&D activities as a foundation for a knowledge- and innovation-based high-income nation.

The study findings show that Malaysia recorded a Gross Expenditure on Research and Development (R&D) of 1.01% of Gross Domestic Product (GDP) in 2022. This is a significant increase compared to 0.95% in 2020, reflecting the country's growing commitment to making research the core of the country's socio-economic development. This increase is in line with the Government's commitment to strengthen the country's science, technology and innovation (STI) ecosystem, towards realizing Malaysia's aspirations as a high-income country based on knowledge and innovation.

Of the total GERD, 51% was contributed by the industry sector through Business Expenditure on R&D (BERD), a significant increase compared to only 34% in 2020. This increase emphasizes the active role of the private sector as a key driver in the country's innovation ecosystem to encourage active industry involvement in high-impact research.

The ratio of researchers to the labour force also showed a marked improvement, rising to **55 researchers per 10,000 labour force**, compared to **33 in 2020**. This reflects the government's continued commitment to developing a highly skilled talent pool with strong potential to generate new knowledge and technologies.

MALAYSIA MADANI

According to YB Tuan Chang Lih Kang, Minister of Science, Technology and Innovation, increasing investment in Research and Development (R&D) is key to transforming Malaysia into a high-income and competitive nation. He emphasized that the Ministry of Science, Technology and Innovation (MOSTI) is committed to strengthening the national R&D ecosystem by ensuring that research outcomes do not remain confined to laboratories, but are translated into real-world solutions that directly benefit the people, enhance the competitiveness of local industries, and drive economic growth based on innovation.

He added that although the country's investment in research and development (R&D) still lags behind developed countries such as South Korea, Japan and Singapore, MOSTI will strive to close this gap by 2030. At the same time, the government has set a target for the country to achieve Gross Expenditure on Research and Development (GERD) of 3.5 percent of Gross Domestic Product (GDP), through the MADANI Economy agenda to ensure strong economic development in the long term.

To support this effort, MOSTI has implemented various strategic initiatives to strengthen the country's R&D landscape that contributes to building an innovative, resilient and ethical society. Key initiatives include:

1. **Expansion of Impact-Based Research Funding** – Broadening access to R&D financing for companies and research institutions conducting high-impact work, especially in green, digital and sustainable technologies.

2. **Establishment of Industry-Academia Research Consortia** – Promoting tripartite collaboration between government, industry, and academia to address national issues through focused research. For example, the **Semiconductor Research Consortium led by MIMOS in 2024** has driven advancements in semiconductor technologies and positioned Malaysia as a regional R&D hub in ASEAN.

3. **Empowerment of National R&D Infrastructure** – Strengthening laboratory capacity, centres of excellence and inter-state R&D networks to support inclusive technological development. The **National Technology and Innovation Sandbox (NTIS)**, established in 2020, is a flagship initiative providing a live testing ecosystem for pre-commercial technologies, bridging the gap between research and real-world industrial applications.

4. **Strengthening Researcher Mobility and Training** – Offering talent development programmes through industrial training, international joint research, and incentives for young researchers. Among the supported initiatives is the **Young Scientists Network** under the **Academy of Sciences Malaysia**, which develops young researchers through training, exposure to emerging technologies, and global collaboration networks.

5. **Implementation of Open Innovation and Commercialisation Policies** – Facilitating technology transfer and the commercialisation of research outputs through intellectual property protection and early-stage funding for R&D-based startups. The **Technology Commercialisation Accelerator (TCA)** initiative aims to accelerate the transition of research technologies from lab to market by providing technology readiness assessments, expert mentorship, and access to strategic investors.

In line with the aspirations of Malaysia MADANI to build an inclusive and prosperous nation through the advancement of knowledge and technology, MOSTI remains committed to strengthening cross-sectoral synergy and improve existing policies and mechanisms. This effort is to ensure that Malaysia can achieve the GERD target of at least 2.5% of GDP by 2030 as outlined in the **National Science, Technology and Innovation Policy (DSTIN) 2021–2030.**

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Published by:

MINISTRY OF SCIENCE, TECHNOLOGY AND INNOVATION
17 JULY 2025

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