

MALAYSIA is determined to be a developed country by 2025 despite riding some rough weather in the last few years.

We can't help but look around us for signs that the worst is over and our economy will be on track to realise the Madani vision, and emerge as a trillion-dollar economy by 2036.

The ordinary Joe may be taken aback by the many new malls up in the city the last year alone, new developments dotting the skyline and flagship restaurants mushrooming across strip centres.

Some sub-sectors are experiencing talent demand, outstripping supply and with that, the rise of calls from recruiters.

This is definitely a sweet problem for any nation to have because it portrays outcomes of a robust and growing economy. But what does it take to get us to this point? What are the input drivers that drive and sustain real growth?

For the sake of simplicity, let's discuss two options. Malaysia as a destination for foreign businesses to open shop (FDIs), or Malaysia as a hub where new and innovative products and services are created, launched and exported to the world.

Both levers bring different benefits and have their impact, but to really succeed, we need to be in control. There are multifaceted streams that will lead to this vast ocean but it all starts (and yes, stops) with how willing companies are to invest in thinking outside the box to make this vision a reality.

We have to decide, as an economy, on a high-growth path. We cannot get to prosperity and be globally competitive if we are pigeonholed as mere users of (other people's) products.

In this age of perpetual reinvention, we can no longer play in the shallow end of resellers, distributors and re-packagers. As a nation, the test is to push past mediocrity and become the creator of value, developer of technologies, producer of solutions, and to own intellectual property as principal.

Dream big

Let's look at some of the countries with stable economies and prosperity.

Japan has developed a reputation for delivering technological advancements and products that have made a profound impact across a wide range of industries since the early 1980s.

Just two months ago, the government announced it would spend US\$13.3bil (RM62.9bil) in manufacturing and R&D to boost its domestic semiconductor industry.

The main aim of its R&D? To use cutting-edge technology in industries to overtake other

A trillion dollar economy



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■ R&D, if done right, is the catalyst in delivering our high-income goals

■ Nothing moves forward unless we are in the business of researching, developing, innovating and creating

countries and decrease reliance on them.

According to China's *Global Times*, the country's investment in R&D grew 10.1% in 2022 to 3.07 trillion yuan (RM2.04 trillion). The National Bureau of Statistics says China invested more than 200 billion yuan in basic research for the first time in 2022, ranking second worldwide.

Then we have the US, which has long been a strong leader in innovation thanks to the vitality of its R&D enterprise. In fact, the top R&D spending company globally in 2022 was Amazon, followed by Meta.

Knowledge-based economies that prioritise R&D benefit from high growth industries and increased wealth for their citizens.

What can Malaysia do to step up its game and where do we start?

It is easy for us to look towards multibillion-dollar companies and talk about innovation that is a result of R&D.

Let's go back a little further and imagine the future leaders, inventors and innovators that we have yet to see. Some are just starting school, and some are college freshies.

What are our children being taught in schools, and is it enough?

The World Bank's 2023 report opined that East Asia and the Pacific need to raise the quality of teaching, compensating for "learning poverty", a result of the Covid-19 pandemic. It is not surprising to hear that education in the region is in crisis.

Interest in artificial intelligence (AI), big data, machinery and the Internet of Things are on a steep rise, and

universities have taken it upon themselves to begin cultivating interest in these topics for students.

Research professor from Carnegie Mellon University's School of Computer Science, David Touretzky, developed resources to teach AI from kindergarten level.

"Kids are going to have robots that they interact with as part of their schoolwork. It's important that kids understand AI because they're growing up with it already," he says.

Spurring the economy

Today, R&D has taken on many different meanings and methods no longer confined to the dated manner in which we thought it worked, namely, scientists hunched over Bunsen burners building something that struggled to see the light of day.

R&D has become the backbone and core driver of product innovation, making it a critical factor to staying ahead in any complex global market.

R&D, if done right, is the catalyst in delivering our high-income goals and the transformative engine to propel the nation towards greater, sustained prosperity.

This means investing in R&D not just for the sake of ticking the box on compliance or stakeholder obligation. Rather, investing in capabilities that can create, build, commercialise and scale solutions within existing and new enterprises.

Enterprises must strive to a higher standard, not just resell products, but add their own products and solutions.

Industries that have connected the dots and made R&D and innovation a priority, have been able to weather the storm and reinvent themselves.

Examples like the Generali Group, a 200-year old Italian insurance company that has survived two world wars, Huawei, Apple, Amazon and ZTE need no introduction.

Yes, you need funding, clear leadership, and the right skill sets and talent. But nothing moves forward unless we are in the business of researching, developing, innovating and creating.

If you ever find yourself questioning the importance of R&D, just remember, without it, we would all be living in a world where the most groundbreaking technology is a really sharp rock.

Embrace R&D, because who knows, the next big thing might just be a toaster that also tells jokes — and isn't that a world worth

toasting to?

Cheers to the dreamers, the thinkers and the inventors who make R&D the rock star of progress!

