

The R&D multiplier



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■ **Government is rallying to promote digital technologies to SMEs to drive export growth**

■ **R&D and the entrepreneur are inherently intertwined and complementary**

THE bold invitation to Europe to invest here will have a significant impact on Malaysia's local economy.

On the upside, the advanced technologies, expertise and innovative practices of these countries are bound to challenge Malaysian industries to further modernise, become more competitive and move up the complexity chain on the global front.

The local economy is built on small and medium enterprises (SMEs), no different from much of Europe.

The government is rallying to promote digital technologies to SMEs to drive export growth, especially in semiconductors, aerospace, medical devices, chemicals and services. It is worth noting that many successful companies within these areas are or were SMEs at one point.

It is time to truly shine, the stars have lined up for us to untangle ourselves from the middle-income trap.

The European Union's recognition that trading opportunities are now more efficient due to Malaysia's liberalisation policies is indeed a boost although there's more to be done.

The push for digitalisation, developing the enterprise sector, upskilling the workforce and refining for a progressive, predictable regulatory environment is key. This will push us

towards exponential growth, led by bold and brave entrepreneurs and the enterprise sector.

Real innovation requires R&D

If we agree that a dynamic enterprise sector is the bedrock for economic growth, I want to argue the case for the rigours of research and development (R&D) in shaping and creating entrepreneurs and their spirit of innovation.

R&D is the methodology for problem-solving. This, in turn, becomes the launch pad for the spirit of entrepreneurship where generating new ideas, technologies and inventions that have commercial potential arise. Entrepreneurs are often the ones to identify market needs or opportunities through R&D activities.

R&D pushes the boundaries of what can be, it gives one a competitive edge which can help increase market share and profitability. Best of all, R&D fosters a culture of innovation where people experiment, take risks and think outside-the-box. This leads to breakthrough discoveries and innovation that are ours.

By developing solutions and intellectual property that not only

differentiate products in the market, but also serve a purpose and are the solution to many issues, we move past the shallow play of resellers, re-packagers, distributors and consumers of technology. We now become the maestro behind the orchestra, the brains behind it all.

This is where and what we want to achieve to propel a high growth economic and sustainable future.

The proof of the pudding

Multinational giants have sought out Malaysia to build their centres and procure more talent. Danish company Ambu just last year opened its doors to a new R&D centre in Penang, where one day we will see more life-saving medical equipment being developed and manufactured.

World-renowned chocolate maker Hershey doubled down on Malaysia's growth by opening a new R&D centre in Johor, to serve as a hub for innovation and technology.

Intel Corp is anything but new to Malaysia. The chip giant is not only building a factory in Penang but it will soon be its first overseas facility for advanced 3D chip packaging.

In our own backyard, universities have started combining programmes where young entrepreneurs with skills can develop ideas, get funding for pre-seed and be given the space and time to innovate and create products and services that benefit society.

This not only paves the way for future game-changers but also gives them the confidence to try. Even if they fail the first few times, with proper R&D and strong mentorship, they are sure to make it.

Transformative power of TVET

TVET is crucial for producing a skilled workforce in technical and service industries which require people who have the know-how, which gives TVET graduates a chance to become local entrepreneurs.

TVET has the potential to ignite

transformative change and drive sustainable growth across various sectors. TVET not only enhances employability but also fosters entrepreneurship, innovation and productivity.

However, even with the known positives, the TVET engagement in Malaysia remains relatively low compared to other countries. The Unesco Institute for Statistics recorded that only 6.1% of youth enrolled in TVET programmes in Malaysia, much lower than Indonesia (12.8%), Singapore (23.8%) and South Korea (14.2%).

This is sad given the available pool of skilled and competent talent in the country to meet the demand for manpower not only internally but also internationally. A wide berth of technical and vocational workers also equates to higher quality investments into our economy.

I strongly believe it should be all hands on the TVET deck to continue giving people, especially the younger generation, the chance to upgrade capabilities, unlock new opportunities and build inclusive economies that thrive on the foundation of skilled individuals.

R&D multiplier power

Strengthening technology acumen and security is paramount and should be our collective focus to improve global competitiveness.

R&D and the entrepreneur are inherently intertwined and complementary, often reinforcing each other, which explains why both are critical in today's complex digital ecosystem.

Once we recognise the symbiosis between this and the ability to capitalise on growth, there is only much to gain. Having two forces that fuel innovation and shape the future of industries.

Blending TVET programmes with R&D is like mixing peanut butter and jelly — a delicious sandwich of innovation and practical application. When it comes to shaping the future, we're better off spreading our efforts evenly and taking a bite out of progress!