

**SPEECH BY  
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**INNOVATION PITCH & BUSINESS MATCHING (IPBM) 2019**

**5<sup>TH</sup> AUGUST 2019  
PERDANA HALL, MIDA SENTRAL, KL**

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**SALUTATION**

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Ladies and Gentlemen,

1. Good morning and welcome to the 'Innovation Pitch and Business Matching 2019', jointly hosted by MIDA, University Malaysia Perlis and the Malaysian Technology Development Corporation.
2. Today's event is a showcase of our continuous pursuit to further promote and develop the R&D sector, as well as to strengthen industry capabilities in innovation, research and development (R&D) areas in Malaysia.
3. The theme, '**Innovation for the future of Malaysia**' is very relevant as Malaysia is now focusing on Innovation-driven, technology-oriented and high value-added industries. We are also intensifying our efforts in promoting the collaboration between universities and industries in driving economic growth, and shaping the future of Malaysia through R&D and innovation.

4. The 'Innovation Pitch and Business Matching 2019' is an excellent platform for technologists, scientists and researchers from universities to promote their inventions, innovations and research outputs to potential investors and industries.
5. We expect this event to be a catalyst to the prospective investors and industries in commercialising research and development outcomes produced by universities.
6. Furthermore, with a great pool of representatives from the government agencies, business chambers, associations, industry leaders and academic practitioners, we will develop stronger industry-academia linkages, powered with innovation that will further enhance the productivity of our society and economic growth.

Ladies and Gentlemen,

7. Malaysia continues to bridge the innovation divide, supported by indicators such as high-tech net exports, and creative goods exports. Although the country retains its 35<sup>th</sup> position in the Global Innovation Index (GII) 2019, we have improved our rankings in four of the seven GII pillars, namely institutions (40<sup>th</sup>), infrastructure (42<sup>nd</sup>), business sophistication (36<sup>th</sup>), and creative outputs (44<sup>th</sup>). In fact, the most significant improvement is in the quality of universities, where Malaysia ranks 17<sup>th</sup> this year, and Gross Domestic Expenditure on research and development (GERD) performed by business, as well as GERD financed by business, where it takes the 25<sup>th</sup> and 16<sup>th</sup> positions, respectively.
8. As the principal investment promotion agency of the country, MIDA is responsible for ensuring that Malaysia's industrial landscape and future sustainability is in line with the fast-changing world of technology.
9. MIDA has always been supportive of collaborations between the industry and Malaysia's research institutions. It is crucial that research carried out in universities finds its way into commercialisation to enable high-quality job creation, company expansion and diversification, and spur economic growth.
10. We have been encouraging companies to conduct R&D activities since the early 90s through the introduction of various R&D incentives to companies.

11. These incentives include R&D status, R&D Company, Contract R&D Company and In-house R&D. Incentives available are in terms of Investment Tax Allowance (ITA) or Pioneer Status (PS).
12. To further spur the R&D activities, clients to the company which has been approved with the R&D Status are eligible to claim double deduction directly to the Inland Revenue Board (IRB) on the payment made for the use of their services. This is one of the ways to help companies in marketing their R&D services to the clients and thus contribute to the R&D ecosystem as a whole.
13. As to date, MIDA has awarded six university-linked companies R&D Status, which enable their clients to enjoy double-deduction on R&D expenditure. It is a tax-efficient way to invest in R&D whereby industry partners can access university expertise while allowing academia to produce more research with higher commercial potential.
14. MIDA has also approved 184 R&D projects with total investments of RM2.97 billion as of March 2019. These comprise 77 Contract R&D, 58 In-House R&D, 30 approved R&D companies and 19 R&D Status companies, mainly in industries such as the pharmaceutical, chemical, healthcare, machinery, E&E and automotive. These projects have created over 6,500 high-quality job opportunities, which are mostly in the science and technical fields.
15. The establishment of the Collaborative, Research, Science & Technology, better known as CREST, in 2012 is another initiative by the Government to accelerate collaboration in research, design and development activities and stimulate R&D innovation, particularly in the E&E sector.
16. CREST, with the support and participation from relevant Government agencies, have successfully driven R&D collaboration between industries and universities, as well as between MNCs and SMEs through various knowledge exchanges and business-matching initiatives.
17. To date, CREST has approved 138 collaborative R&D projects involving the participation of from 87 companies and 24 universities. CREST is also undertaking efforts to boost Malaysian talents and help churn out industry-ready graduates via strategic partnership with leading E&E companies.

Ladies and Gentlemen,

18. It is more crucial now than ever for companies to reassess and realign their business strategies to adapt to the current challenges of doing business. Intensifying innovation through strategic collaborations in R&D activities is one of the critical components that would enable businesses to remain competitive and sustainable.
19. R&D activity does not only create value and enable us to exploit new economic opportunities; it also sharpens our competitive advantages. This will eventually lead to an improved national innovation ecosystem, enabling Malaysia to bring creative outputs to the market and share the available resources.
20. As such, MIDA is stepping up efforts to drive stronger R&D linkages between the industry, and tertiary & research institutions. Our focus is not just about the absolute value of investments, but the expansion of the ecosystem as well. By strengthening the innovation ecosystem, we will develop a conducive environment to foster trust among all stakeholders. This, in turn, will contribute to higher value R&D activities and increase R&D spending.
21. I am optimistic that this collaboration made here will lead to higher research value integration and translate into commercialisation. This, in return, will contribute towards the development of indigenous R&D capabilities in Malaysia.
22. I hope that all participants will gain the maximum benefit of this Innovation Pitch and Business Matching. On that note, I wish you all a productive session ahead.

Thank you.