

Sarawak to focus on innovation to move up the value chain

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KUCHING: Apart from telecommunication and internet, an innovation led economy requires the combined harnessing of innovation, science, and technology across all economic sectors.

The business intelligence group, Inside Investors, explained that research and development (R&D), creativity and innovation were crucial elements that would significantly contribute to move the state up the value chain.

"Innovation led initiatives by the government and collaboration between the public and private sectors is one procedure Sarawak wants to implement to transform the state into a high income and developed region by 2020 as per the

FOCUS ON INNOVATION: Image shows Curtin University Sarawak. Currently there are a number of universities and research institutes in Sarawak working on innovation strategies, including in the fields of biofuel, new wood products and alternative industrial application for palm oil. — Bernama photo



nation's development plan, "This requires innovative products and services at the global technology frontier, using advanced methods and a workforce

equipped with multiple skills to translate their business models into international marketplaces," it enthused.

Sarawak at the moment is fo-

cus on attracting industries that undertake R&D because the state no longer wants to attract labour intensive investments but technology driven foreign direct

investments (FDI).

To prove this point, the Sarawak government has announced a package of incentives for innovative small and medium enterprises (SME) to support its growth.

SMEs that qualify for the incentives will gain a two per cent interest rebate for loans approved by the developmental financial institutions and the stamp duty on the loan agreement document would also be exempted.

In the Sarawak report by Inside Investors, it also mentioned that currently there were a number of universities and research institutes in Sarawak working on innovation strategies, including in the fields of biofuel, new wood products and alternative industrial application for palm oil.

"For example, Universiti Ma-

laysia Sarawak (Unimas) is undertaking a project to transform oil palm waste into biofuel. It has conducted a study on overall sago usage at its pioneer plant, which started in 2010.

"This project is the result of a RM11 million allocation given by the Science, Technology and Innovation Ministry," it added.

Similar research were going on at other universities. For example, Curtin University Sarawak was looking at greenhouse gases and generating energy from palm oil.

For innovative and high tech companies, the state government grants generous tax incentives, particularly when the projects are undertaken within the Sarawak Corridor of Renewable Energy (SCORE).