

# For Policy Paper- Research Ecosystem

## Developing Industry-University Research Ecosystem through Tax Mechanism

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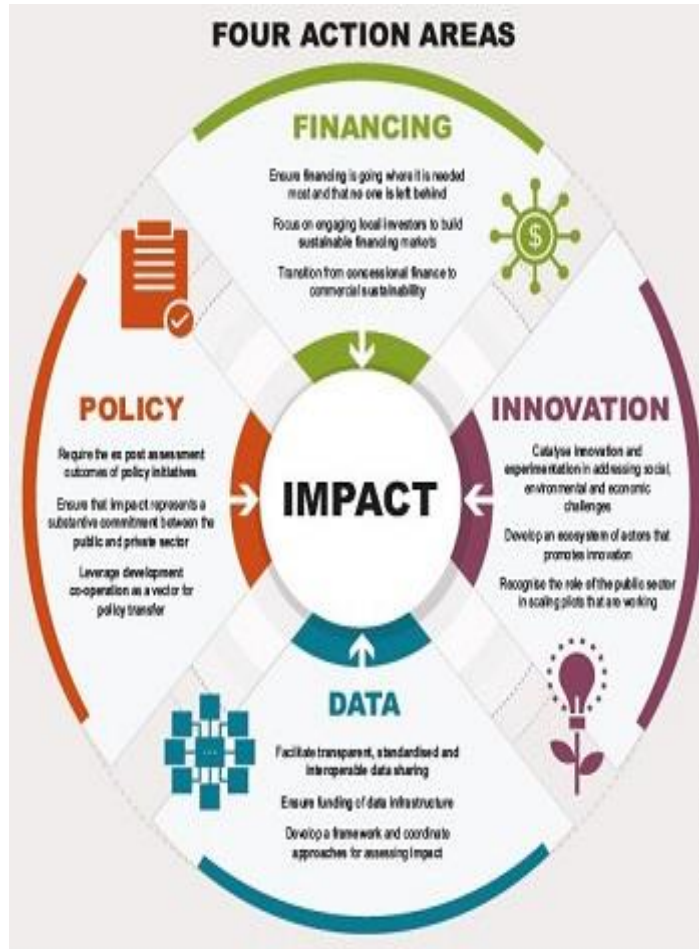
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Collaboration with:

Institut Darul Ehsan

# Introduction



- Innovation
- Stimulate innovative culture
- Funded Research and development
- Impactful?
- Return for our country?



Research:

Cost vs Return

# Budget 2019

THIRD FOCUS: TO FOSTER AN  
ENTREPRENEURIAL STATE



Strategy 9: Unleashing the  
Power of the New Economy



Accelerating the Adoption of  
Industry 4.0

**Paragraph 144.** SECOND point:

The Knowledge Resource for Science and Technology Excellence (KRSTE.my) will be established to enable greater sharing of Research and Development (R&D) resources between public and private sector. In

2019, the Government will make available 250

facilities and 1,200 scientific

equipment and research data for the private sector to access and share. In addition, the Government

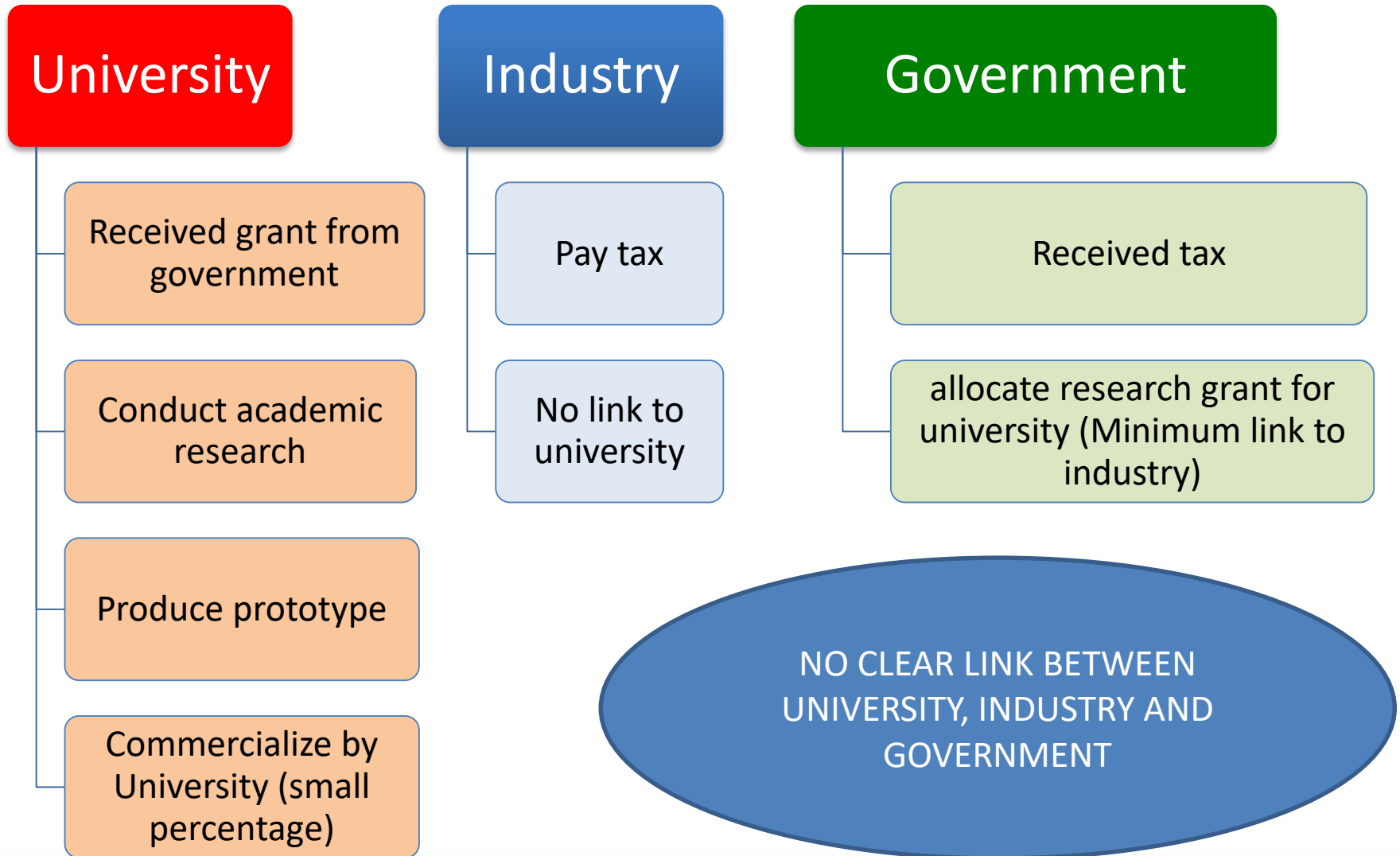
will start a Research-Mapping

program to place at least 100 public sector

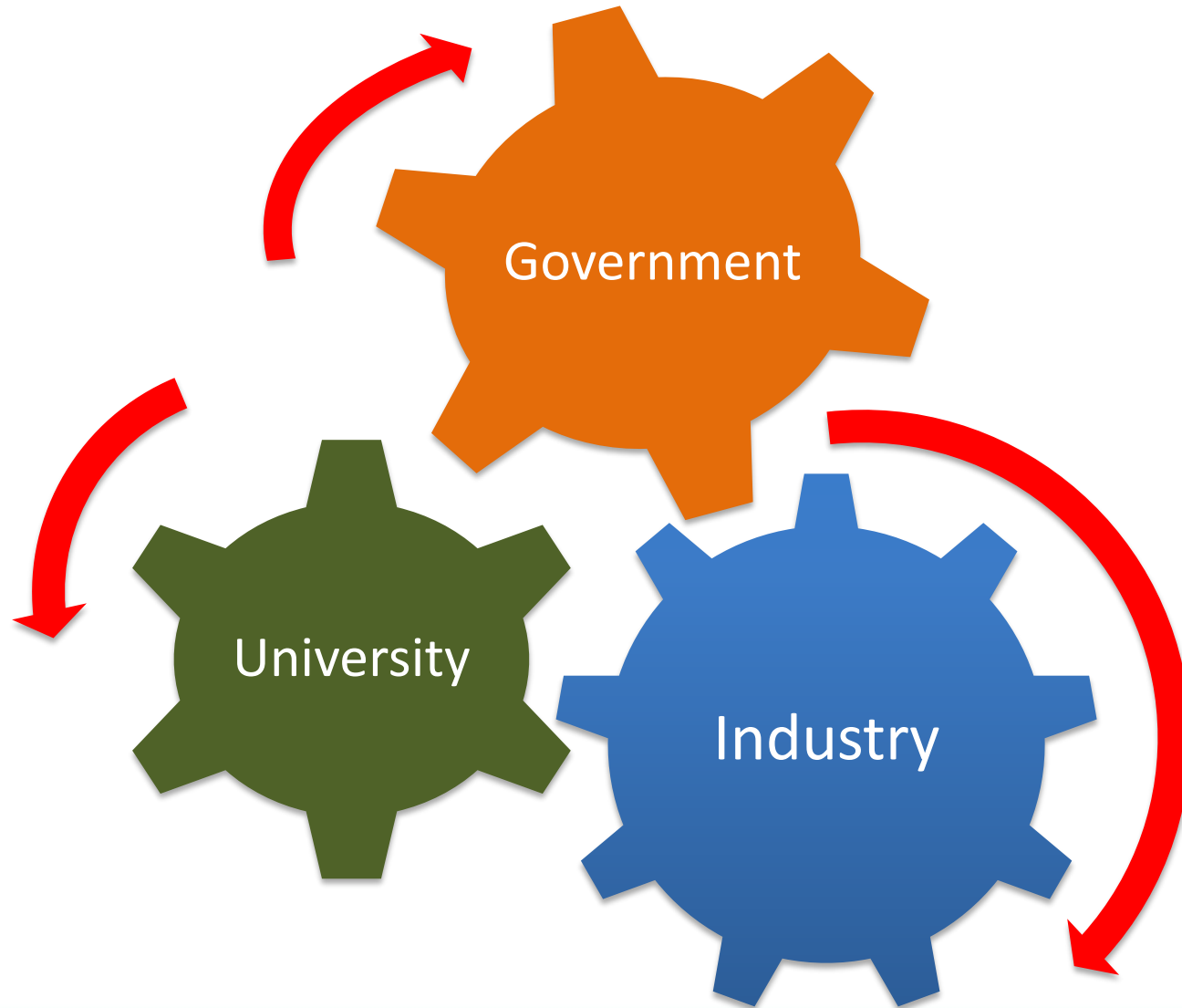
researchers with the

private sector, with the cost borne by the Government.

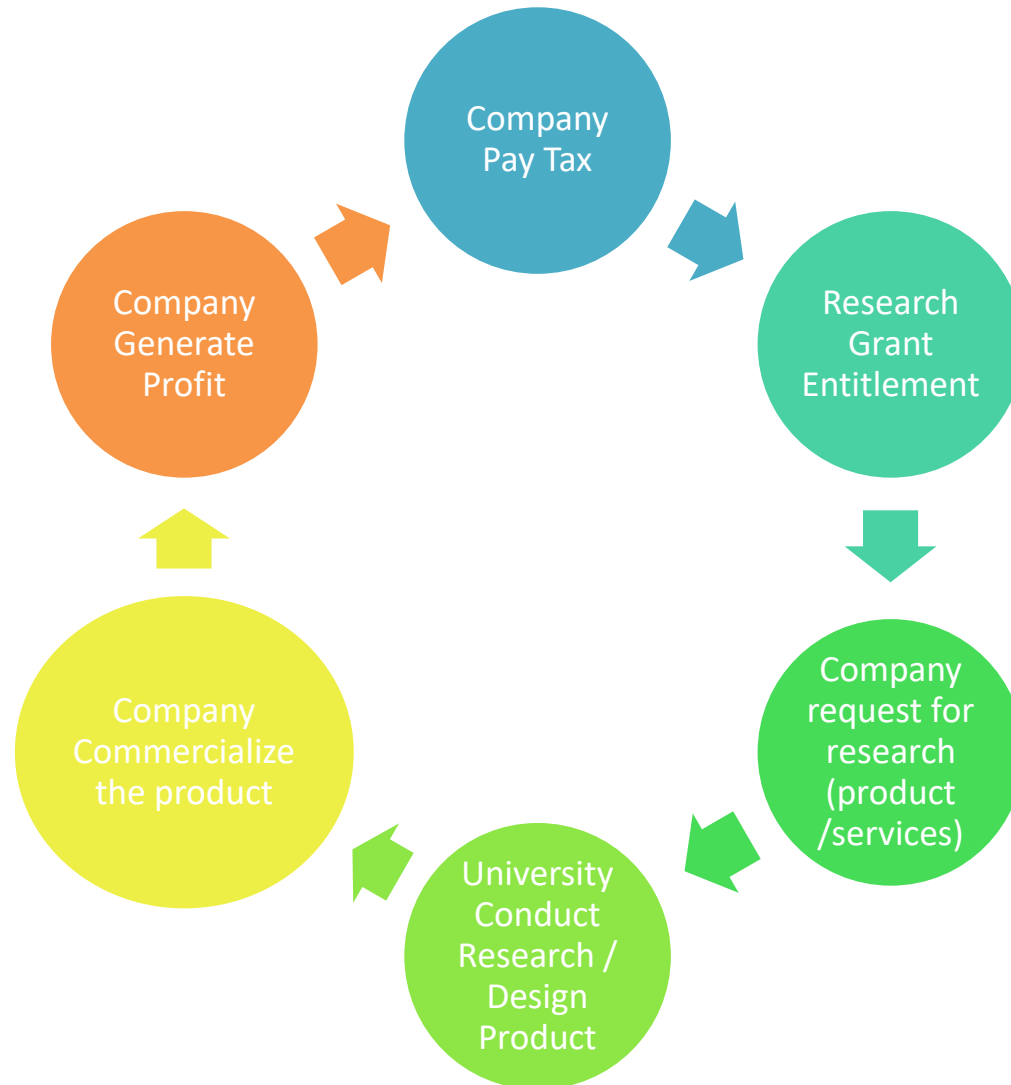
# Current Approach



# Japan Research Model



# Proposed system: Research ecosystem



# 2019 Budget allocation for R&D

Friday, 22 February 2019, 1:02 PM

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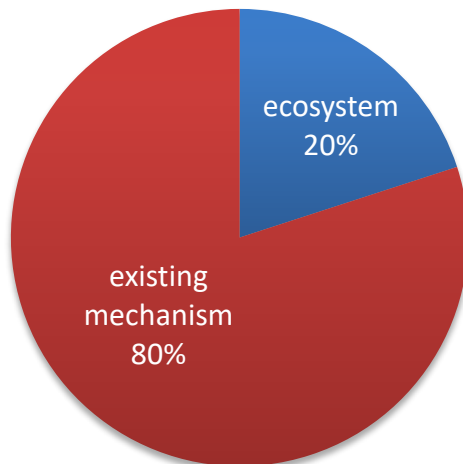
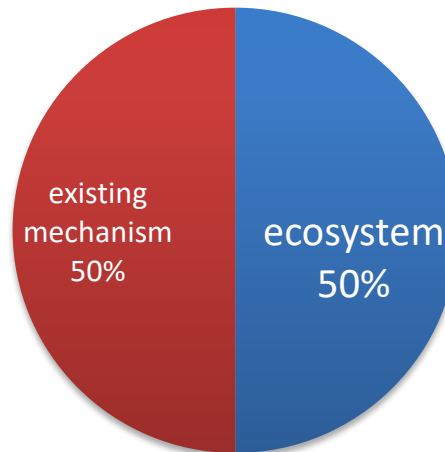
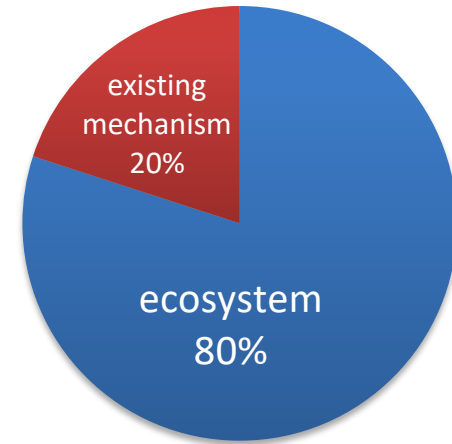
## 2019 Budget: RM400m allocated universities' R&D programmes



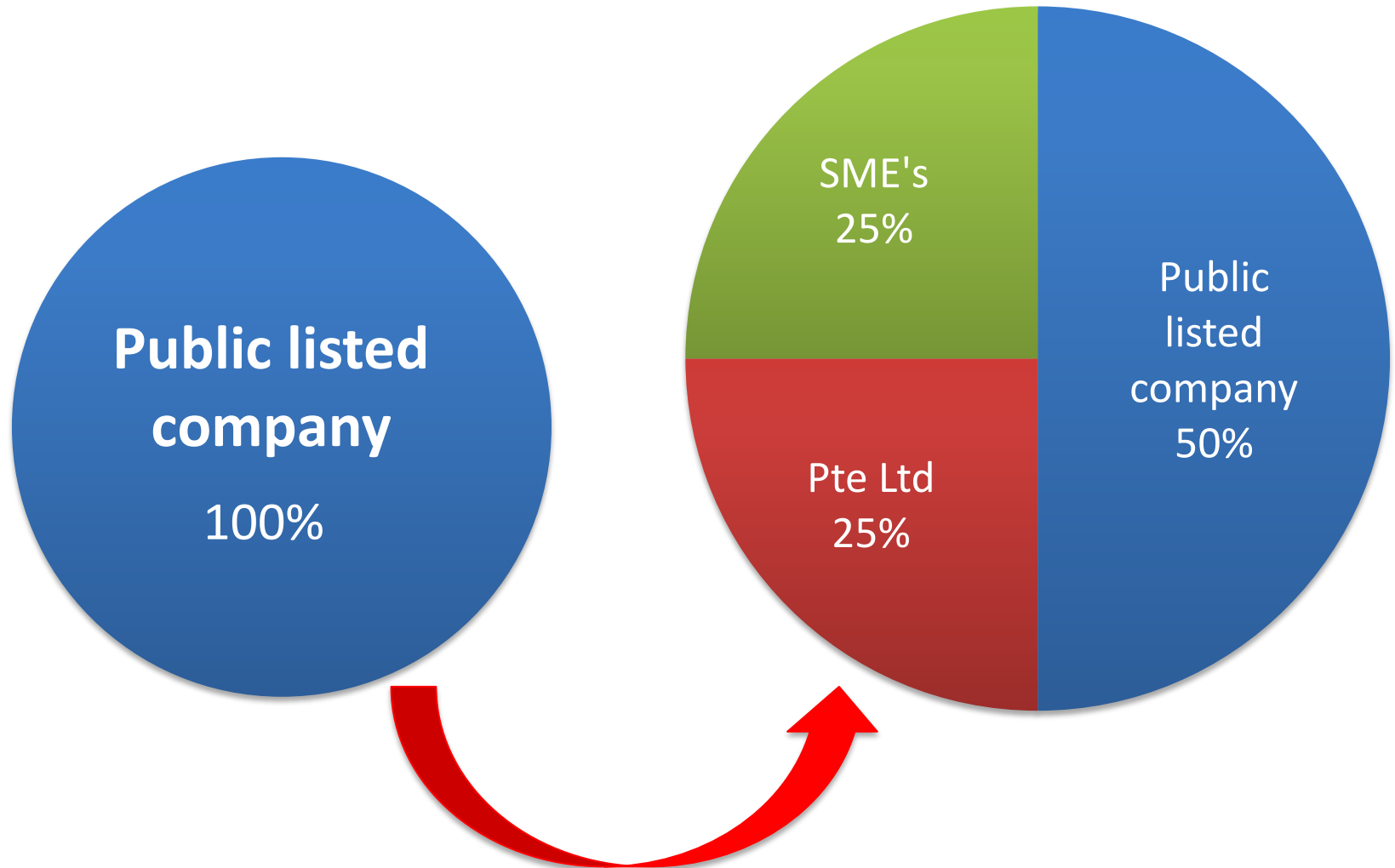


# Recommendation proportion (400 millions)

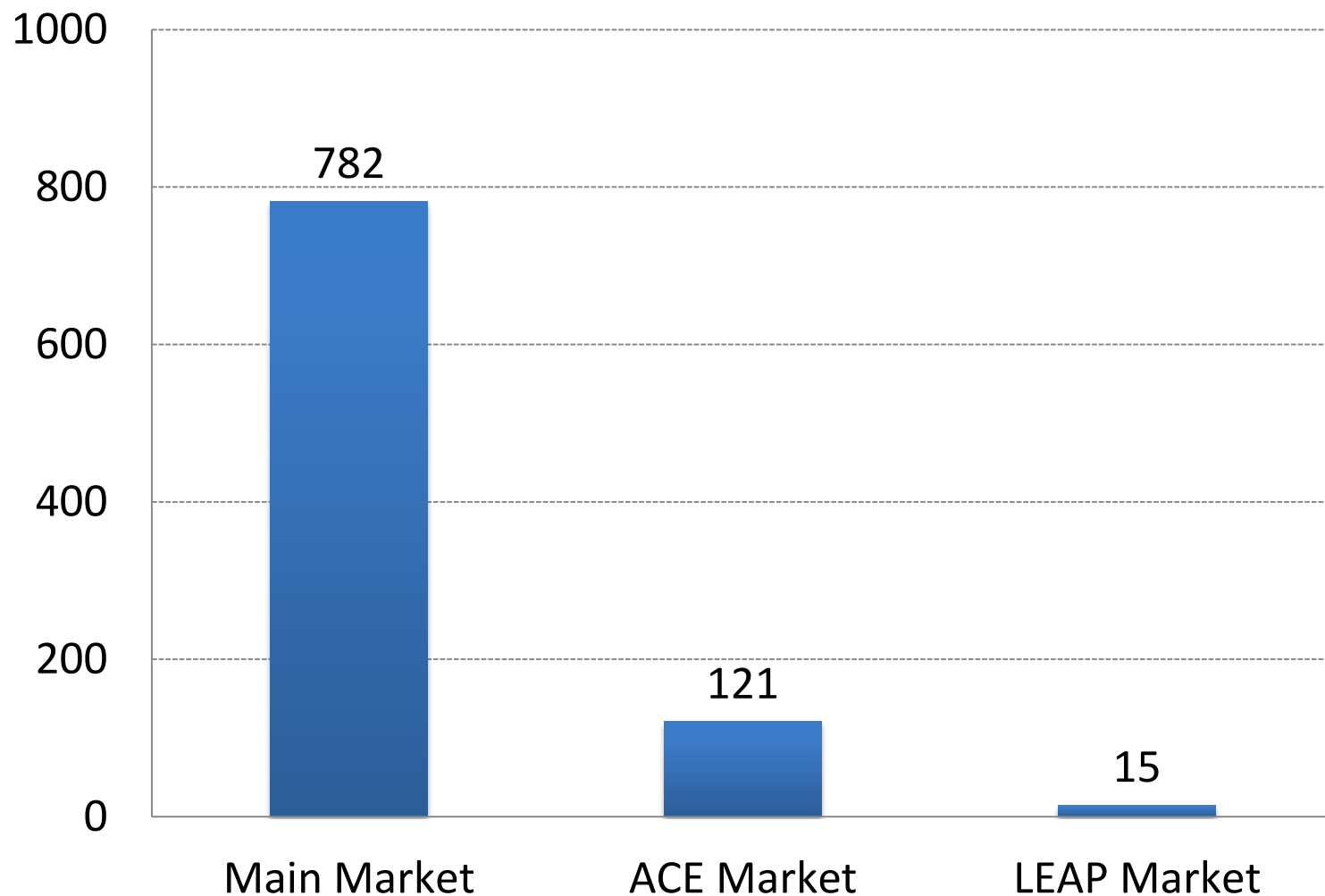
Ecosystem	Allocation (RM)
20%	80 millions
50%	200 millions
80%	320 millions



# Distribution of grants



# 2019 Public Listed Companies



# Research Ecosystem descriptions

- When a company pay tax, they received entitlement for research grants.
- Then, companies requested university to conduct the research for new product or services, etc
- The new products are expected to generate new revenues as well as profit for the company.
- The profit will then be taxed and new entitlement of research grant is available for the company.
- It became a new opportunity for the company to produce another new product with the university involvement.
- Another new product is born; get commercialized, produce profit, pay taxes and the cycle continue.
- This is what is called Research Ecosystem, a system that continuously running non-stop, Industrial driven with self-sustain mechanism benefiting companies, universities and the country as a whole.