THE Government plans to develop a more competitive economy to drive growth in the coming years through the development of a knowledge-based economy, which will play a major role in promoting growth and productivity.

A key effort in this area will be the implementation of the Knowledge-based Economy Masterplan, launched by Deputy Finance Minister Datuk Dr Shafie Mohd Salleh on Sept 9.

The plan outlines seven strategic thrusts that would drive the transformation of the country’s economy from a largely production-based economy to one that is knowledge-based.

They encompass 136 recommendations for the development of human resources, institutional frameworks, info-structure and infrastructure, science and technology capacity, the role of the public sector, a knowledge-based civil service, as well as efforts to bridge the knowledge and digital divides.

The continued growth of the Multimedia Super Corridor (MSC) has also provided infrastructure support for the development of a knowledge-based economy, and information and communications technology (ICT) industries.

Besides spurring the growth of knowledge-based industries via the MSC, the Government has also instituted financial measures to promote innovation and creativity.

This includes the setting up of Malaysia Venture Capital Management Bhd (Mavcap) to manage a RM500mil venture capital fund aimed at providing equity financing – in the form of zero-interest-bearing loans for tenures of up to 10 years – for venture companies involved in ICT.

The funds are being channelled to a RM100mil outsourcing programme and a RM400mil direct investment programme.

Three companies have been approved to manage funds under the outsourcing programme as at the middle of the year. These companies will use funds allocated to them for investment in the fields of software and applications, communication and networking, and photonics.

Source: Materials and Equipment International, US Industrial Production Index, Statistics Department