



News Clips



Japan ~ A new breed of investment fund called 'carve-out fund' is targeting promising technologies that receive little attention by the companies that spawn them.



TechGate Investment Inc., a consultancy led by a former Sony Corp. engineer plans to launch a fund specializing in this type of business as early as October. Hitachi Ltd and Mitsubishi Corp separately set-up funds units public-sector partners this spring.



When the funds find untapped profit potential, they will help corporations carve-out the technology into a separate, research-oriented company.



Industry executives believe that the carve-out method is probably the best option for companies considering incubating new businesses.



China ~ China is reported to be the world's biggest exporter and 4th-largest economy by 2010 in view of the aggressive economic reforms.



Private business has overtaken the state sector to become the main engine of China's economic transformation.



The number of state controlled companies has halved from 300,000 to 150,000 since



1998.

Private sector currently generates between 57 to 65 percent of non-farm GDP.

From 1998 to 2003, local private companies and foreign enterprises have increased their output to five fold and three fold respectively.

This report is likely to fuel Beijing's effort to receive market economy status from the EU that would help Beijing avoid punitive European anti-dumping law.

Singapore ~ Singapore is more than doubling the amount it will spend on biotechnology to S\$12bn (US\$7bn), for the next 5 years, from S\$5bn (US\$3.0bn) between 2001 and 2005.

Singapore's biotechnology effort has attracted researchers like Alan Colman, co-creator of the world's 1st cloned animal - Dolly the sheep, and Ki Bang Lee, a South Korean who invented the urine-activated battery.

Singapore's effort to promote biotechnology revolves around a US\$300mn research park built by the government, which houses seven research centers.

Biomedical sciences (BMS)

GAP BETWEEN RICHEST & POOREST IN CHINA

One-fifth of China's population (most affluent) earns 50% of total income.

One-fifth of China's population (bottom) earns 4.7% of total income

The gap has exceeded reasonable limits & exhibits further widening.

Apart from adjusting income taxes, there are no signs of major policy changes by the government.

Source: MTEN

INSIDE THIS ISSUE:

<i>News Clips</i>	1
<i>Gap between richest & poorest in China</i>	1
<i>Current State of Region's Economies</i>	2
<i>Singapore's R&D Strategy</i>	2&3
<i>Growth Competitiveness Index Rankings 2005 & 2004 Comparisons</i>	3
<i>Forthcoming Events</i>	4



SINGAPORE'S R&D

STRATEGY:

5 key R&D strategy to transform S'pore into 'an R&D driven innovative k-based enterprise economy'

1. *Increase R&D spending to at least 13% of GDP for next 5 years.*
2. *Focus on selected areas of economic importance where S'pore can be internationally competitive & find a balance between investigator-led & mission-oriented research.*

News Clips

output totaled S\$15.8bn (US\$9.3bn) in 2004, or 8.3% of Singapore's manufacturing.

Thailand ~ Concerto Software, a multinational call-centre management specialist, plans to further tap into the robust call-centre market in Thailand to become the top player as part of its plan to expand operations in the region.

The company aspires to expand its business presence in Thailand by creating more distribution channels where currently it has 15 large clients including True Corp Plc., Citibank, TMB Bank, Easy Buy and Standard Chartered Bank.

Current State of Region's Economies

	GDP (US\$bn)	Industrial Growth	Unemployment	Exports (US\$bn)	Imports (US\$bn)
Malaysia	1Q05: 30.3 4Q04: 31.1 3Q04: 30.4	Jun: 3.4% May: -0.1% Apr: 4.1%	1Q05: 3.5% 4Q04: 3.3% 3Q04: 3.4%	Jun: 11.7 May: 11.2 Apr: 11.4	Jun: 9.7 May: 9.5 Apr: 9.2
Japan	1Q05: 1153.5 4Q04: 1294.6 3Q04: 1123.1	Jun: 0.1% May: 0.3% Apr: 0.3%	2Q05: 4.2% 1Q05: 4.5% 4Q04: 4.5%	Jun: 48.4 May: 48.5 Apr: 49.9	Jun: 42.1 May: 42.1 Apr: 43.2
Korea	1Q05: 181.0 4Q04: 204.6 3Q04: 170.3	Jun: 4.1% May: 4.2% Apr: 3.9%	2Q05: 3.6% 1Q05: 4.1% 4Q04: 3.8%	Jul: 23.4 Jun: 23.8 May: 23.1	Jul: 21.5 Jun: 21.2 May: 21.2
Hong Kong	1Q05: 40.3 4Q04: 44.1 3Q04: 42.0	1Q05: -0.6% 4Q04: 5.0% 3Q04: 3.4%	2Q05: 5.7% 1Q05: 6.1% 4Q04: 6.5%	Jun: 24.4 May: 24.9 Apr: 22.1	Jun: 25.3 May: 26.1 Apr: 23.4
Taiwan	1Q05: 84.4 4Q04: 82.5 3Q04: 76.2	Jun: 1.32% May: -1.25% Apr: 0.92%	2Q05: 4.1% 1Q05: 4.2% 4Q04: 4.2%	Jul: 15.4 Jun: 14.9 May: 16.3	Jul: 15.1 Jun: 15.0 May: 16.1
China	2Q05: 436.2 1Q05: 378.4 4Q04: 524.1	Jun: 16.8% May: 16.6% Apr: 16.0%	2Q05: 4.2% 1Q05: 4.2% 4Q04: 4.2%	Jun: 66.0 May: 58.4 Apr: 62.1	Jun: 56.3 May: 49.4 Apr: 57.6

Source: MTEN



News Clips

According to the industry monitor company, Frost & Sullivan, Thailand's call-centre market in 2004 was valued at around US\$13.5mn (Baht 552.9mn), up 60%YoY from 2003 and the market may witness a compounded annual growth rate of 13.3% until 2011 for the call-centre sector.

India ~ India's government is encouraging more Indians to seek science education as they move one step ahead from call centers to innovation centers in research and development.

Currently there are about 106 overseas companies with R&D centers in India according to Tata Management Training Center.

Last year the country produced 184,347 engineers from 15,437 col-

leges and will attract more overseas companies, says R.A. Mashelkar, director general of the Council of Scientific and Industrial Research (CSIR) in New Delhi.

The government plans to raise education spending by 39% to US\$4.17bn in the year ending 31 March 2006 from the previous year.

GM, GE, Texas Instruments and Hewlett-Packard are among companies setting up research institutes to utilize the talents of engineers whom they can pay less than US\$12,000 a year.

GE has spent US\$80mn into its 5-year-old Bangalore center with 2,200 scientists, researchers and engineers and have got 37 patents approved from the 260 applied.

Source: MTEN

SINGAPORE'S R&D

STRATEGY:

(continuation)

3. Raise budget for mission-oriented research to S\$5.4bn & Academic Research Fund to S\$1.05bn for financial year 2006-2010.

4. Encourage private sector's R&D & strengthen the connection between R&D and business.

5. Establish a high-level Research, Innovation & Enterprise Council and a National Research Foundation under the PM's office.

Source: MTEN

Growth Competitiveness Index Rankings 2005 & 2004 Comparisons

Country	2005 Rank	2005 Score	2004 Rank	Changes 2004-2005	Changes 2004-2005
Finland	1	5.94	1	→	0
United States	2	5.81	2	→	0
Sweden	3	5.65	3	→	0
Denmark	4	5.65	5	↗	1
Taiwan	5	5.58	4	↘	-1
Singapore	6	5.48	7	↗	1
Iceland	7	5.48	10	↗	3
Switzerland	8	5.46	8	→	0
Norway	9	5.4	6	↘	-3



Invest-In-Penang Berhad
 1 Jalan Sultan Azlan Shah
 PSDC Building
 Bayan Lepas
 11909 Penang
 Malaysia

Tel: 604-646 8833
 Fax: 604-646 8811
 Email:
 enquiry@investpenang.gov.my

Source: World Economic
 Forum. For complete list,
 please visit
 www.weforum.org

Country	2005 Rank	2005 Score	2004 Rank	Changes 2004-2005	Changes 2004-2005
Australia	10	5.21	14	↗	4
Netherlands	11	5.21	12	↗	1
Japan	12	5.18	9	↘	-3
United Kingdom	13	5.11	11	↘	-2
Canada	14	5.1	15	↗	1
Germany	15	5.1	13	↘	-2
New Zealand	16	5.09	18	↗	2
Korea, Rep.	17	5.07	29	↗	12
UAE	18	4.99	16	↘	-2
Qatar	19	4.97	—	n/a	n/a
Estonia	20	4.95	20	→	0
Austria	21	4.95	17	↘	-4
Portugal	22	4.91	24	↗	2
Chile	23	4.91	22	↘	-1
Malaysia	24	4.9	31	↗	7
Luxembourg	25	4.9	26	↗	1
Ireland	26	4.86	30	↗	4

This article will be
 archived in our website:
[http://
 www.investpenang.gov.my](http://www.investpenang.gov.my)

Talk to us!



Forthcoming Events

MEDICA 2005

(Wed 16th - Sat 19th November 2005)
 37th International Trade Fair with Congress
 World Forum for Medicine
 Internet: <http://www.medica.de/>

parallel to:
[ComPaMED 2005](#) (in Hall 8)
 (16th - 18th November 2005)
 14th International Trade Fair

Components, Parts and Raw Materials for Medical Manufacturing
 Venue: Düsseldorf Trade Fair Centre, Messeplatz, 40474 Düsseldorf
 Please contact Ms Choy YW (cyw@investpenang.gov.my) if your company is
 interested to join investPenang's delegation.