

# MALAYSIA: MOVING ONTO CENTER STAGE

BY GLENN VAN ZUTPHEN

Over the past few decades, Malaysia has been making the gradual transition from a sleeping giant to an active one. The changes have been as pronounced as they have been profound. In 2010, Prime Minister Najib Tun Razak unveiled the Tenth Malaysia Plan, which “contains new policy directions, strategies and programmes that enable the country to emerge as a high-income nation.” The Plan is all about using government as a “regulator and catalyst while upholding the principles of 1Malaysia: People First, Performance Now to ensure effective delivery of services.”

Within the Plan reside the New Economic Model (NEM) and the Economic Transformation Programme (ETP). The document has already ignited the engine, which is designed to double per-capita income by 2020. As the Prime Minister said when the Plan was revealed, it will “transform the Malaysian economy to become one with high incomes and quality growth.”

The country is just eight years away from its date with destiny. But recent efforts toward achieving the ETP are already taking shape. Driven by 12 economic areas, the ETP is leveraging government assistance to raise gross national income: The Malaysian economy recorded a solid 5.4% growth in the second quarter of this year, surpassing economists’ predictions; domestic demand increased by almost 14% in Q2; and both private and public sectors continued to invest in the local economy with gross fixed capital formation posting 26.1% growth—8% more than in Q1. Clearly, the economy is moving.

Behind this great economic push stand several leading minds and corporate



Photo courtesy of Malaysia Convention & Exhibition Bureau (MyCEB)

powerhouses, which are actively moving the ETP forward. Industry leaders such as Sime Darby, Maybank, CIMB, Berjaya, Top Glove and Parkson are spreading their businesses, not just in Malaysia, but around ASEAN and the world, while telling the story of what this dynamic country has to offer. Government leaders like Malaysian Investment Development Authority (MIDA) CEO Datuk Noharuddin Nordin and CEO of InvestKL Zainal Amanshah are working arduously to increase internal and external investment into the country. Others, like CEO Zulkefli Sharif of the Malaysia Conven-

tion & Exhibition Bureau (MyCEB), have been successful in pushing the country’s MICE business into the world’s third most price-competitive position.

All agree that the outside perception of Malaysia as a low-end manufacturer and supplier of commodities must be changed to reflect the reality of its dynamic new economy. None are blind to the challenges they face in steering this economy onto a new course, but they all strongly believe that their work will help move Malaysia up the value chain and offer a progressive environment for the economy of tomorrow. ■

# MIDA: MOVING THE BENCHMARK AND CHANGING ATTITUDES

The Malaysian Investment Development Authority (MIDA) has no easy task in a region where every country is working hard to attract investment, both internal and external. But CEO Datuk Noharuddin Nordin believes Malaysia has a unique story to tell. Located between China and India—and in the heart of ASEAN's 600 million people—the country is strengthening its position to become the hub of high-tech, high-value manufacturing and services.

**H**ighlighting the key points in his plan for growth, Datuk Noharuddin says, “First we create the awareness to let investors know that Malaysia is open for business. Next we look at specific sectors and explain to them what we offer, and finally we target individual companies that can benefit from Malaysia and from which Malaysia can benefit.”

The push by MIDA is not merely to have companies set up investment in the country, but to find those that can help the country fulfill its aspiration to become a developed, high-income nation by 2020—a center for high technology, knowledge content, green technologies and the industries of the future. In the service sector, for example, that could range from tourism and healthcare to education, research and design. In manufacturing, aerospace and advanced electronics are current targets.

“Our advantage, having been involved in electronics manufacturing for the past 40-plus years, is that now we have people with the mind-set and skills that can move us forward in that industry and help it expand into higher-value R&D activities,” Datuk Noharuddin explains. He emphasizes that it all boils down to manpower that can support the new economy, mentioning that since gaining independence in 1957, the government has typically spent 25% of its annual budget on education.

“I think the commitment to education has paid off in attracting new companies and also supporting companies that have been here for decades. It shows confidence in Malaysia and the ability to move into the new economy,” he asserts, noting the example of Intel, which has been in Malaysia for over 40 years. In recent years, Intel has moved up the value chain by adding higher-value design-type work to its business operations in the country.

## A Focus on R&D

R&D is something on which MIDA is heavily focused, as it believes R&D will be integral to the economy of the future. The Malaysian government also takes a practical view toward training workers by encouraging partnerships between companies and local universities, for example. “Training can be done using companies’ internal training programs or by integrating training into local educational institutions,” Datuk Noharuddin



MIDA's Business Information Centre

explains. “Again, Intel has developed some training modules to be taught in some of our universities, preparing the workers of tomorrow.”

Furthermore, in Penang, nine electronics companies are partnering with the University of Science, Malaysia (USM), to set up an R&D center, where the output from the center will be both IP and skilled workers. These company-driven activities are good for commerce and for local Malaysians alike.

Years ago, the Malaysian government realized that IP had become a new engine for growth. In 2012, it amended and strengthened the Copyright Act, following the 2007 launch of the National Intellectual Property Policy (NIPP). The NIPP outlines policies to provide a vibrant IP environment, facilitating and promoting the creation, acquisition and exploitation of IP while strengthening IP enforcement. In 2007 the government also established the Intellectual Property Courts, making Malaysia one of the first countries in the region to have these specialized courts.

### MIDA’s Role in the ETP

The push for Malaysia’s development comes from the government, which has well-defined goals for transforming it into a developed country in terms of per capita GDP by 2020. That number currently stands at about US\$9,000. The government plans to grow that number to US\$15,000 over the next eight years, which translates to about 6% annual growth (Malaysia reported 5.4% GDP growth during the first half of 2012). To drive that change, MIDA is tasking the government’s Economic Transformation Programme (ETP) with generating US\$112 billion in private investments annually. “All the targets have been set; now all we have to do is deliver them,” Datuk Noharuddin says.

Over the past decade, FDI in Malaysia has tripled to roughly US\$300 million, a good sign that the world is gaining confidence in Malaysia. MIDA says the global financial crisis does not seem to be having a negative impact on Malaysia, as its 2012 Q1 numbers were “very strong and show that investment is much higher than last year, which was a record year.” While MIDA doesn’t foresee any near-



“At the end of the day it’s about Malaysians having the confidence in ourselves so that we can produce high-level technology and industries. We have to develop that self-image.”

— Datuk Noharuddin Nordin,  
CEO, MIDA

term issues, it is keeping close watch on the situation in Europe and the slow growth in the U.S. and China.

### Boosting Investments in Malaysia

So, what’s the value-add for companies investing in Malaysia? According to Datuk Noharuddin, “Politically and economically, we are stable. Of course in 2009, Malaysia suffered economically, like most other countries. But we’ve bounced back with our very skilled, mostly English-speaking workforce. And our government has very clear development plans laid out in our ETP, which is creating new opportunities for both foreign and local companies,” he says.

The ETP is driven by 12 key economic areas; the rationale behind this is that government assistance will drive gross national income by developing a fertile ecosystem to attract new investment and retain companies that are already in Malaysia. The govern-

ment has tasked different ministries to deliver concrete results toward this end. MIDA’s role is to consider not only investments, but the *quality* of different investments. For example, Malaysia has traditionally been associated with palm oil and rubber, which are still very important commodities for the country. Today, however, MIDA is working to promote the country’s abilities in aerospace manufacturing and services in order to demonstrate how Malaysia is growing its economy and gain the confidence of investors.

### Cultural Diversity: A Distinct Advantage

Part of MIDA’s strategy is to identify niches in which Malaysia has a competitive advantage. The country’s most distinctive features are its rich diversity of cultures—primarily the large Muslim, Chinese and Indian populations—and the traditions created by the racial mixing of some of

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MIDA Headquarters

## ABOUT MIDA

The Malaysian Investment Development Authority (MIDA) is the government's principal agency to oversee and drive investment into the manufacturing and services sectors in Malaysia. MIDA was established and incorporated by the Malaysian Investment Development Authority (Incorporation) Act 1965. Starting operations in 1967, MIDA was given the mandate to promote investments in the manufacturing and services sectors, and to advise the Minister of International Trade and Industry (MITI) on industry matters including the formulation of related policies.

Today, MIDA is Malaysia's cutting-edge, dynamic and pioneering force in opening pathways to new frontiers around the globe. The range of services provided by MIDA includes assisting companies that intend to invest in the manufacturing and services sectors, as well as facilitating the implementation of their projects.

To enhance MIDA's efficacy in assisting investors, senior representatives from key government agencies are stationed at the Advisory Services Centre at MIDA's headquarters in Kuala Lumpur to advise investors on government policies and procedures. These representatives include officials from the Department of Labour, Immigration Department, Royal Malaysian Customs and Telekom Malaysia Berhad.

the world's oldest civilizations.

For example, MIDA sees the large Muslim population as a great vehicle for reaching the Islamic world. "Our *halal* certification is among the best in the world, and that's a brand we can take advantage of. The term 'halal' relates to much more than merely food products," Datuk Noharuddin explains. MIDA is looking at three related areas: exporting halal products to Islamic countries like Pakistan, Bangladesh and Indonesia (as well as the huge Islamic populations in France, around Europe and in America); sharing halal knowledge with other countries on a service basis; and expanding on the country's considerable standing and expertise in the realm of Islamic finance.

"We have established Malaysia as an international Islamic financial center where we have the expertise and

the training to educate people about Islamic financing," says Datuk Noharuddin. "In terms of the issuance of *sukuk*, the Shariah compliant bond, Malaysia is the global leader. Many Islamic countries prefer to invest in a way that is compliant with the religion," he notes. The potential for that business is massive, according to a new study by international consultancy Ernst and Young, which reports that the global demand for *sukuk* will grow threefold to US\$900 billion by 2017.

"It's about we Malaysians having the confidence in ourselves so that we can produce high-level technology and industries. We have to develop that self-image," adds Datuk Noharuddin.

But the clock is ticking, and the country wants to reach its self-imposed finish line by 2020. There are still some areas, especially in the high-tech sec-

tors, which need attention. "We need to further develop ecosystems in selected industries like renewable energy and aerospace," says Datuk Noharuddin. "We are not discounting investments in other sectors, including agriculture, as long as they are heavy in content with technology and knowledge. Emphasis is on completing the ecosystems, and gaps in the value chain can be filled by both local and foreign companies." ■



[www.mida.gov.my](http://www.mida.gov.my)

# ISKANDAR MALAYSIA: A BEACON SHINING IN SOUTH JOHOR

Iskandar Malaysia, the multifaceted development spanning 856 square miles at the southern tip of Johor, is celebrating its sixth birthday. To date, Iskandar Malaysia has inked US\$30.5 billion in committed investments, US\$15.1 billion of which has already been realized. While the 20-year goal of US\$123.2 billion is a long way off, Iskandar Regional Development Authority (IRDA) officials say they're on track for annual GDP growth of 8% through 2025 to meet that goal.

IRDA Chief Executive Datuk Ismail Ibrahim notes that Iskandar Malaysia focuses on nine sectors: education, tourism, logistics, creative industries, petrochemicals, polychemicals, electronics and electrical engineering, food and agro processing, and health-care. Iskandar Malaysia "is designated by the Malaysian government to be a prime hub for the nine clusters, which will be given special focus and offered excellent investment opportunities," he explains. "One of Iskandar Malaysia's greatest assets to leverage these is its strategic location in the heart of Southeast Asia."

IRDA believes that Iskandar has some notable advantages for companies and individuals who are considering its value proposition:

- A conducive business environment with state-of-the-art facilities and infrastructure and competitive wages for an educated workforce.
- A central location for doing business in Southeast Asia, India, China and the rest of ASEAN.
- Incentive packages with low taxes or ten-year tax holidays, training of workers and even tax-free car purchases.
- Access to the region by land, air and sea.
- A safe and secure environment with a Community Police Post, CCTVs and nearly 1,000 auxiliary police.



Kota Iskandar

“We are embarking on an ambitious Johor Bahru transformation project to revive and strengthen the capital city into a center for heritage, arts and culture. We look at success not just in terms of size and figures, but at the entire Iskandar Malaysia project being sustainable and livable for current and future generations.”

— Datuk Ismail Ibrahim,  
Chief Executive, IRDA

## An Impressive Project Portfolio

Some key projects have already been completed, such as EduCity in Nusajaya, which is home to many foreign university branch campuses like Newcastle University Medicine Malaysia (NUMed), Netherland Institute of Maritime Technology (NIMT), Raffles University, Southampton University and Reading University.

The long-awaited Coastal Highway, which cuts travel time from 45 minutes to a mere 30 minutes from the Customs,

Immigration and Quarantine Complex (CIQ) to Nusajaya was completed in December last year.

“Now we are in Phase 2, the strengthening and growth phase,” says Datuk Ismail. “At the end of last year, we saw two of our strategic projects being realized: the Johor Premium Outlets and NUMed. This was the tipping point for Iskandar Malaysia.

“But it is not just about new developments,” says Ismail, who was born and raised in Muar, the northernmost town in Johor. “We are also embarking on an ambitious Johor Bahru transformation project to revive and strengthen the capital city into a center for heritage, arts and culture. We look at success not just in terms of size and figures but at the entire Iskandar Malaysia project as being sustainable and livable for current and future generations.”



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- Ready transportation and telecommunications infrastructure
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- Cosmopolitan living and working environment
- Easy access to regional markets

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# MAYBANK: A REGIONAL PLAYER

The year 2015 will be important for Maybank. By that time, President and CEO Dato' Sri Abdul Wahid Omar is hoping that his Group will be a regional financial services leader and the leading ASEAN wholesale bank, making inroads into China, India and the Middle East.

"We want to achieve 40% of our profits from our international businesses by 2015," says Dato' Sri Wahid. "Our vision is to grow into a regional financial services powerhouse, despite the current crisis in the eurozone."

Dato' Sri Wahid's vision may seem challenging given the regional competition, but he believes such growth will be led by internal Malaysian infrastructure projects as outlined in the government's Economic Transformation Programme (ETP), noting that financing and other services will be needed. There are other reasons to be bullish on the bank's future: the US\$1.5 billion acquisition of regional stockbroker Kim Eng Securities is boosting Maybank's presence around the region, especially in Thailand, where it has a good chance of prompting the Group's entry into the commercial and retail banking sectors.

The purchase also gives Maybank an



"We have 22 million clients, but we still try to treat them individually and humanize their experience so they get the financial products and services they truly need."

— Dato' Sri Abdul Wahid Omar,  
President and CEO, Maybank

additional 45 offices in Thailand and more in Singapore, Vietnam, the Philippines and Indonesia. In Malaysia, Maybank already has 398 branches. In all, there are 2,200 offices across the world, and Maybank is the fourth-largest player in ASEAN, where it operates in nine countries.

## Impressive Growth and Innovation

"We started in a very humble position when our founders began the bank in 1960," says Dato' Sri Wahid. "The main aim was to provide financing for a newly independent Malaysia. Now we have 22 million clients, but we still try to treat them individually and humanize their experience so they get the financial products and services they truly need," he explains. Dato' Sri Wahid also mentions that Maybank has been able to grow and prosper by understanding its customers and their various cultures, and by offering world-class products that fully leverage technology.

Some of the specialties that the Group offers include Islamic Banking, which is headquartered in Kuala Lumpur. "We are the largest Islamic commercial bank in Asia Pacific and 17th in the world based on asset size. Our first-half 2012 total Islamic financing of US\$18 billion represents 28.3% of Maybank's domestic financing. Profit before tax for Maybank Islamic should surpass US\$323 million for the full year," says Dato' Sri Wahid confidently. In the first half of 2012, revenue for the Group grew 18% year-over-year to US\$2.65 billion.

He adds that another area of expertise

is Maybank's regional Wealth Management capabilities, which are being driven out of Singapore. It has become a "Centre for Excellence" in the Group, driving the innovation of wealth products, which are then distributed around the region.

## The Importance of Giving Back

Part of Maybank's drive to become a regional player is so that it can give back to the local communities via the Maybank Foundation. Established in 2010 during the company's 50th anniversary, the Foundation handles corporate responsibility programs for the entire Group and will channel some US\$16 million across the region over the span of three years, focusing on two key pillars, namely the environment and the community. "We have a very active employee volunteerism program," says Dato' Sri Wahid.

"Our employees volunteer to serve the communities in areas where they work to make a meaningful impact. Through sustainable programs that benefit the underprivileged and help conserve the environment, our aim is to be at the heart of the community, demonstrating our mission to humanize financial services at all times," says Dato' Sri Wahid. ■



Menara Maybank in Kuala Lumpur



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Everyday, we provide our customers with a wealth of international experience and local insight to help them pursue their ambitions across the region.



# THE REBIRTH OF BERJAYA LAND BERHAD

**T**he 28-year history of Berjaya Group is rich and varied, ranging from land development to gaming to consumer marketing. Over the decades, Founder Tan Sri Dato' Seri Vincent Tan has built the group into one of the largest, most diversified and most recognized conglomerates in Malaysia.

A well-recognized businessman and philanthropist, Tan Sri Dato' Seri Vincent Tan gave about US\$20 million a year over the last two years to more than 100 NGOs and charitable organizations in Malaysia and around the region. Earlier this year, he stepped down as chairman of Berjaya Corporation Berhad in order to focus on charitable works.

But the company continues to forge ahead.

Today, one of the group's divisions, Berjaya Land Berhad, is going through a rebirth of sorts to better adapt to global realities and changing internal mandates. With 18 hotels and resorts around the world, the property development, leisure and hospitality group is ready for a change.

## Back to Basics

Leong Wy Joon, Executive Director of Berjaya Land Berhad, says his division is refocusing its business model and moving back to its core strength of developing mixed commercial and integrated hotel and resort developments in the region's high-growth countries. With this sharpened focus, the company is moving toward a more straightforward developer and owner role, while letting others actually run the properties. "While we are in both a consolidation and expansion stage with regard to the Berjaya Hotels & Resorts brand with the aim of being a solid regional player, we are also looking to develop hotels and residences under global brand names in key gateway cities of the world. As a group, we want to make each division leaner and stronger,

Leong Wy Joon, Executive Director, Berjaya Land



Vasana 25

and are refocusing on our core strength and businesses," explains Leong. "For our side of the hospitality business, we are streamlining noncore assets that are located far away, like our hotels in Seychelles and Sri Lanka, and are looking to redeploy that locked-in capital to something that is high yield, high growth and closer to home," he notes.

Markets like Vietnam, South Korea, Japan and Malaysia are fulfilling that mission. Berjaya Land Berhad is active on the commercial and residential fronts, building mixed-use, commercial properties with hotel rooms and residences.

## A Wide Range of Projects

In Malaysia, Berjaya's projects include the iconic 7.5-million-square-foot Berjaya Times Square shopping mall and hotel; thousands of residential units in the Bukit Jalil area; the Vasana 25, a "low-density, luxury boutique villa development;" and the Menara Bangkok Bank building, which will be finished in 2014; among others.

One project that will surely stand out is the Great Mall of China. The cleverly named 76-acre mixed-use project sits on the outskirts of Beijing. When finished, it will be the world's largest shopping mall, with three enclosed theme parks, two hotels, office towers, serviced apart-

ments, a convention center, a theater and a monorail system—all constructed at an estimated cost of US\$2.4 billion.

Berjaya will mark its foray into Japan with the Four Seasons Hotel in Kyoto, set to open in 2015. Due to its close proximity to China and South Korea, where Berjaya has significant investments and developments, Japan has been viewed favorably as the next investment destination based on its technological advances, resilient economy and strong business and working ethics. Berjaya believes North Asia, in particular Japan, will be the next big destination moving forward.

In Vietnam, Leong says, five additional projects will keep the company busy for the next ten years. "Vietnam is about the same size as peninsular Malaysia, with a population about four times the size of Malaysia's," he explains, noting that the fact that 80% of the population is under 35 years old makes Vietnam a very attractive real estate investment destination. ■



**BERJAYA**

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# TOP GLOVE: TOPS IN THE INDUSTRY

It is truly incredible to think about 150 thousand tons of latex being molded into 40 billion pieces of gloves annually—stretchy appendages that may assist in saving a life, finding a medical cure, making a circuit board or even serving a sandwich. But that's exactly what Top Glove Corporation Berhad does every year. Commanding 25% of the global glove market (latex, nitrile, PVC and vinyl), it is the largest manufacturer of such products.

The man at the top of this successful venture is Executive Chairman Tan Sri Lim Wee Chai. He is a man of precision, much like the process that forms his gloves in 23 factories across Malaysia, Thailand and China. His headquarters on the outskirts of Kuala Lumpur proudly features the company mantra everywhere: "Top Glove, Top Quality, Top Efficiency, Good Health, Safety First and Be Honest."

Attention to detail and precision drives Top Glove to be the leader in its field, and has helped it establish 1,000 clients in over 185 countries. According to Tan Sri Lim, the formula for keeping customers happy and coming back for more is straightforward: "We produce consistently high-quality gloves at efficient low cost, constantly try to improve the product, watch our quality control very closely, respond quickly to customer inquiries and get the product to them quickly." While 80% of Top Glove products go to the healthcare industry, Tan Sri Lim is quick to point out that industries like high-tech manufacturing and food preparation are increasingly using his products, too.

## The Importance of R&D

Of course, customers would not return without good products—and quality goods cannot be produced without investment in research and development. Tan Sri Lim stresses that ongoing innovation and improvement keep



Tan Sri Lim Wee Chai, Executive Chairman, Top Glove

Top Glove products at a high standard of quality and also drive cost efficiency, and points out that international research shows a positive correlation between the intensity of R&D investment and company financial performance. Equally important, businesses that have strong R&D programs are in a better position to achieve and maintain a competitive advantage and are more likely to bring new, customer-driven products and services to market.

"Innovation is expensive, but it brings increased productivity and quality," says Tan Sri Lim. "When manufacturing processes are more automated, we prevent human error, saving us money and achieving greater consistency of quality. Of course, all of this leads to happier customers, who will keep coming back for more," he says.

As a result of expanding markets and consistent growth, Top Glove's numbers are solid. As of August 2011, the company's fiscal year end, Top Glove posted a

shareholder fund of US\$370 million with annual turnover around US\$660 million. As of September 8, 2012, market capitalization was US\$1.06 billion. The company plans to own 30% of global market share by 2015 by investing US\$964 million over the next 15 years to expand production capacity, R&D and other activities. It also is moving upstream and is in the process of establishing a rubber plantation in Indonesia, which will eventually supply 50% of the company's latex needs. ■



[www.topglove.com.my](http://www.topglove.com.my)

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- Latex examination polymer powder free gloves • Surgical gloves
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- Long length 12" high risk gloves • Coloured (blue/green) gloves
- Flavoured (mint) gloves • Nitrile examination gloves • CPE gloves
- Vinyl examination gloves • PE gloves • PE aprons
- Accelerator Free Nitrile gloves • Soft Nitrile gloves
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# MyCEB:

## DRIVING MALAYSIA'S BUSINESS EVENTS INDUSTRY

In an unpredictable world economy, the highly lucrative but extremely competitive business events industry of meetings, incentives, conventions and exhibitions (MICE) has recently gained recognition from many countries in the Asia-Pacific region. Likewise, the Malaysia Convention & Exhibition Bureau (MyCEB) is pushing hard to show the world why Malaysia should be their destination of choice.

Under the direction of MyCEB CEO Zulkefli Sharif, the organization is focused on becoming a major regional player in the business events arena through collaboration with the government and industry to secure business events as well as to facilitate events when they are hosted in the country.

"Our long-term target is to establish Malaysia as a leading business tourism destination," says Zulkefli. "If we grow business tourism arrivals to 8% of the overall tourist arrivals, that will translate to 2.9 million people by year 2020. Together with the government and industry partners, MyCEB is on a mission to position the country as a top-five destination in Asia Pacific for international meetings," he adds.

### Record-Breaking Business Events Delegates

He and his dedicated team know this will not be an easy task. But Zulkefli believes Malaysia has something special to offer, considering that the World Economic Forum's Travel and Tourism Competitive Index 2011 ranked Malaysia the world's third most price-competitive country. As one of the best value destinations in the world, Malaysia often attracts world-record attendances, bucking a global trend in this sector.

Malaysia also is becoming the leading business tourism destination of choice for global associations having their first conventions and drawing record numbers of attendees. In 2011, MyCEB secured a total of 49 international and



World Gas Conference 2012

"Together with the government and industry partners, MyCEB is on a mission to position the country as a top-five destination in Asia Pacific for international meetings."

— Zulkefli Sharif, CEO, MyCEB

regional conventions.

With an average of 730 delegates per event, MyCEB conventions are expected to attract over 35,750 delegates to Malaysia between 2012 and 2019, generating more than US\$122.9 million in economic impact for the country. One of the most significant successes includes the International Dragon Award Annual Conference 2013, which will draw 5,000 Chinese finance and insurance professionals to the city. Also in 2013, the Women Deliver Conference will host 4,500 delegates.

MyCEB is also aggressively creating incentive programs to attract business and major events, including its Subvention Programme and Event Support Programme for conventions. It also recently launched the Malaysia Twin Deal Programmes in various target markets. These initiatives are based on economic assessments of events to ensure a triple win for the Malaysian economy, event organizers and participants.

### Malaysia: A Truly Unique Destination

Of course, hosting a business event in the country goes beyond the economic equation: "Malaysia offers an experience that

is truly unique over its competitors," says Zulkefli. "We offer a blend of Malay, Chinese, Indian, Middle Eastern and indigenous cultures established over the last 600 years that has created a microcosm of Asia that caters well to visitors from diverse backgrounds. The depth of how our fusion of cultures is still maintained and celebrated cannot be matched elsewhere in this region," he stresses.

Additionally, there's the nature angle: "Amidst the urban jungle, we are also very much blessed with lush tropical rainforests, amazing highlands and world-known islands and beaches, which serve as options for business event clients who are looking forward to experiencing both nature and the city." ■



[www.myceb.com.my](http://www.myceb.com.my)



Arabs, Chinese, Indians and Europeans have long appreciated Malaysia's position as a nexus for trade and meetings. So much so, they're still here 600 years later.

Our predecessors once braved all manner of hazards to travel to Malaysia. Once here, they thrived amidst the many trade opportunities and warm hospitality of the local Malays. The result is a truly unique melting pot of cultures and customs. This infusion of influences makes Malaysians cosmopolitan and while we are forward-looking, we retain a strong sense of our traditions.

As the centre of Southeast Asia and strategically located between India and China, Malaysia knows how to connect the world with Asia. Malaysia is English-speaking yet multilingual; a vibrant emerging economic and business centre; and a great value-for-money destination. You will see it in our ability to host any meeting, incentive trip, convention and exhibition. Malaysia has all the first-world infrastructure you want in a destination enhanced by a fusion of Asian cultures, food and hospitality.

## Malaysia - Asia's Business Events Hub



### MALAYSIA CONVENTION & EXHIBITION BUREAU (MyCEB)

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# GREATER KUALA LUMPUR/KLANG VALLEY: EXCITING INVESTMENT OPPORTUNITIES

Photo courtesy of Malaysia Development Berhad



Tun Razak Exchange, the 70-acre international financial district in Kuala Lumpur, begins construction in 2013.

**InvestKL is showing the world that the new Greater Kuala Lumpur/Klang Valley (GKL/KV) is a vibrant, rising metropolis, spanning ten municipalities across Kuala Lumpur and the Klang Valley region.**

It's already home to high-profile companies like Schlumberger, Exxon-Mobil, Citibank, IBM, BMW, PayPal, Prudential, Motorola and many others. These companies have long understood that Kuala Lumpur, or KL, as many refer to it, is a great place for a global headquarters or "regional control tower" functions. This means multinational corporations can greatly benefit from locating their regional headquarters, management center, treasury, procurement and distribution, as well as shared services, regional training and R&D there. The doors are open for progressive companies that want to expand into new high-tech industries, services, innovation and IP-based activities. InvestKL works with them to facilitate a package to get the most out of Kuala Lumpur. This proposition is key for attracting higher, value-added activities.

Take the example of AECOM. The global building engineering company is already established around the region with its Asian headquarters in Hong Kong. AECOM is currently working on the KL Mass Rapid Transit project as well as the "River of Life" renewal of the Klang River. AECOM, with the help of



“Private investment has rebounded, outstripping public investment, and FDI confidence remains strong. Nevertheless, there remains much to be done. Our end goal is to achieve high-income nation status by the year 2020.”

— Dato' Sri Idris Jala,  
Minister in the Prime Minister's Department and  
CEO of PEMANDU

InvestKL, established a center of excellence to bring in best practices, leverage its projects and hire local staff. This win-win type of creative thinking is helping to rebrand Greater KL and show other decision makers some new and exciting possibilities.

## Bringing the KL Story To the World

Zainal Amanshah, CEO of InvestKL, and his team work to attract regionally and globally focused multinationals to KL in such areas as financial services, business services, oil and gas, agriculture, healthcare and more. This Special Purpose Investment Promotion Agency was formed by the Malaysian government under the Economic Transformation Programme (ETP). The ETP is the driving force behind increasing Malaysia's global competitiveness, while making GKL/KV into one of the world's top dynamic investment destinations. In less than two years, the country's GDP growth has been steady, at 5.1% in 2011 and 5.4% in Q2 of 2012.

“Private investment has rebounded, outstripping public investment, and FDI confidence remains strong,” notes Dato' Sri Idris Jala, Minister in the Prime Minister's Department and CEO of the Performance Management and Delivery Unit (PEMANDU). “Nevertheless, there

remains much to be done. Our end goal is to achieve high-income nation status by the year 2020.” Despite the turmoil in Europe and the U.S., Dato’ Sri Idris is confident that the ETP will help the country meet its economic targets as well as become one of the world’s top 20 cities in terms of economic growth and livability by 2020.

Leveraging that growth during the past year, the Greater KL story has been explained to many companies as well as the big international consulting agencies. InvestKL is reaching out to MNCs in the U.S., Europe, China, Japan and Korea. It is finding that companies are surprised at the business opportunities, not realizing that today’s KL is very different from that of yesterday.

### The Business Case for KL

With the ETP making KL a competitive business environment, companies can further maximize the advantages of skilled, educated labor and strong intellectual property protection. InvestKL is working with Forbes 2000 and Fortune 500 companies, as well as emerging multinationals with revenues above US\$1 billion, to show them how they will profit from lower costs and access to markets across Asia. “We are doing a lot to dispel old notions of Malaysia as only being a manufacturing, shared-services or back-office hub. We are telling them about the new, dynamic KL and the exciting investment opportunities here,” says Zainal.

As a result of the changing business landscape, certain sectors are already getting noticed, like oil and gas, the halal industry, Islamic banking, aerospace and healthcare. Certain districts around



“A city that has vibrancy and attractiveness will be a magnet for talent, innovation and creativity, where a dynamic environment provides its residents a sense of purpose, connectedness and belonging.”

— Dato’ Raja Nong Chik Zainal Abidin,  
Minister of Federal Territories and  
Urban Well-Being

Greater KL are also highly visible: Investors are showing interest in KL Eco City, Cyberjaya—which is working to become Malaysia’s Silicon Valley—Putrajaya and the multiuse Tun Razak Exchange, slated to start construction in 2013.

### A High Quality of Living

Of course, these facts matter only if KL is appealing and a good place to live. With a population of 5.7 million, cost and quality of living in Greater KL are important. Infrastructure projects like the new MRT railway will help meet daily transportation needs. “A city that has vibrancy and attractiveness will be a magnet for talent, innovation and creativity, where a dynamic environment provides its residents a sense of purpose, connectedness and belonging,” says Dato’ Raja Nong Chik Zainal Abidin, Minister of Federal Territories and Urban Well-Being.

Value for money is always an issue for companies that are looking to relocate. KL comes out ahead in this category: Prime office rent is among the lowest in the region, at just US\$28 per square foot. Compensation for its competitive workforce is some 75% lower than in the U.S. and it is one of the least-expen-

sive cities to live in, according to a Mercer ranking across five continents.

Additionally, the government is developing different live, work and play zones around Greater KL. So while it might be more costly to live and work near the Petronas Towers in the city center, it is generally less expensive to be based in one of the new satellite towns.

### An Invitation to Stay

For expatriates, there are perks like the ability to get a ten-year Resident’s Pass and work permits for accompanying spouses. To facilitate a “brain gain” of Malaysians returning home from overseas, the government is offering tax breaks and other incentives to encourage its citizens to repatriate.

The pull of Greater KL is getting stronger by the day. A government dedicated to enabling a business-friendly location is carefully and methodically moving into place the necessary investment environment, infrastructure and hard and soft assets. InvestKL is a true partner in helping multinational corporations understand the many benefits of doing business in KL, while helping to facilitate packages that companies will find attractive. ■



# A NEW DIRECTION FOR MALAYSIA



Photo courtesy of Malaysia Convention & Exhibition Bureau (MyCEB)

Kuala Lumpur

**In addition to transforming itself economically, Malaysia is repositioning itself amid other countries of the world. Above all, it is striving to transform itself so that its future will be vastly different from its past.**

**A**ttaining the goal of becoming a high-income, high-tech, knowledge-based nation from 2020 will certainly require a strong effort from Malaysians. The work of MIDA, InvestKL, IRDA, MyCEB and other private companies demonstrates that the country is up to the challenge and moving in the right direction.

The goals set out in the Economic Transformation Programme (ETP) will surely fuel Malaysia's forward momentum. As more people hear the story

of what's actually happening inside the country, attitudes and opinions about Malaysia's potential will improve around the globe. Intel and AECOM are just a few of the major multinational companies that have already invested in Malaysia. At the same time, others are recognizing and praising the diversity and stability within the country, as well as its prime location as a gateway to some 600 million people in ASEAN and the potential access to 2 billion Muslims worldwide through the halal market.

In addition to enacting vast economic changes, Malaysia is repositioning itself amid other countries of the world. Above all, it is striving to transform itself so that its future will be vastly different from its past.

Malaysia's story is rich and complex, and it certainly recounts a fair number of challenges. The country's goals may be ambitious, but if Malaysia's visionary business and government leaders remain focused on their goals, Malaysia will soon find itself prominently positioned on the global stage. ■