

# MALAWAKIL NAIROBI TRIBUNE



**INFORMATION ABOUT EVERYTHING MALAYSIA**

*Second Edition 2016*

## FOREWORD FROM THE HIGH COMMISSIONER



Malaysia established diplomatic relations with Kenya in 1965. The past several years have witnessed the maturing of relations between Malaysia and Kenya which has been underscored by the close political relations especially the warm and friendly relationship between the leaders of both countries and in the context of South-South Cooperation.

Africa has enormous economic potential. A number of countries in the continent including Kenya, Rwanda, Uganda and Tanzania are experiencing impressive rate of development and economic growth. There has been interest in providing technology transfer for the furniture sector, and investing in consumer items and project management as well as renewable energy. Kenya is now also experiencing a construction boom and there is a strong interest to source building materials from Malaysia.

Kenya was already home to several Malaysian companies, such as Golden Africa Kenya Limited, which recently established a palm oil refinery plant in Athi River. Probase Manufacturing is another local construction company based there, and has completed

three 10km road projects in Meru, Embu and Samburu counties of Kenya and offered to build hundreds kilometers of rural road in the country. Probase is also embarking similar rural road building project in five other African countries.

Education is another sector which has enhanced the relationship of both countries. Some 400 Kenyan students currently studying in Malaysian universities with the total more than 2000 of them graduated so far. As a trading nation and an open economy, Malaysia will continue to diversify its bilateral and business relations with countries of African continent.



# MALAYSIA'S ECONOMIC PROGRESS



Organization for Economic Cooperation and Development (OECD) believes that Malaysia's economic performance stands out, both for its profound transformation into a diversified economy as well as for the striking reduction in poverty levels, Malaysia is on the path to becoming a high-income country around 2020 while economy remains resilient amid new competition from other East Asian peers.

## WHY INVEST IN MALAYSIA

### ECONOMIC STRENGTH

Population : 31 million  
Natural Resources : Crude oil, natural gas, tin, timber, palm oil, rubber, rare earth  
GDP Growth : 4-5% (2016)  
Gross National Savings : 29  
Per capita income : USD10,876.73 (2015)

### DEVELOPED INFRASTRUCTURE

Network of well-maintained highways and railways, well-equipped seaports and airports, high quality telecommunications network and services, fully developed industrial parks including free industrial zones, technology parks and Multimedia Super Corridor (MSC)

### QUALITY OF LIFE

Friendly and hospitable, safe and comfortable living environment, excellent housing with good amenities, healthcare and medical facilities, excellent educational institutions including international schools for expat children, world-class recreational and sports facilities, magnificent shopping centres with goods from all over the world.

### EDUCATED WORKFORCE

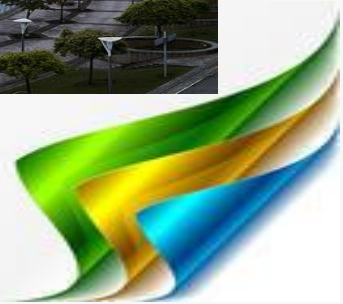
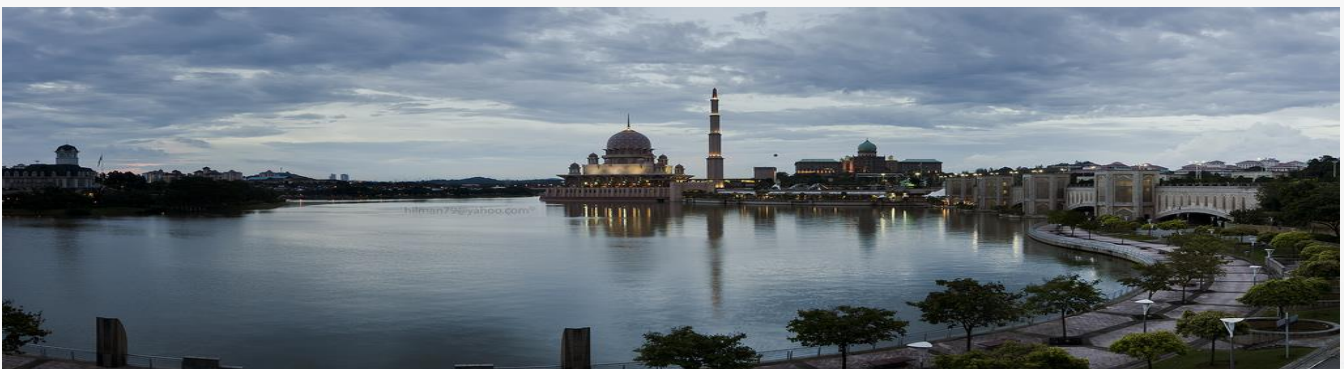
Talented, young and productive, multilingual, comprehensive vocational and industrial trainings including advance skills, harmonious industrial relation with minimal trade disputes

### SUPPORTIVE POLICIES

Pro-business, efficient and responsive, liberal investment policies, attractive tax and other incentive, liberal exchange control regime, intellectual property protection.

### VIBRANT BUSINESS DEVELOPMENT

Market oriented economy, developed financial and banking sector, pioneer in Islamic Finance, wide use of English in business, legal and accounting based on British system, large local business community in all sectors, extensive trade links (valued at USD400 billion in 2015, trade surplus registered a double-digit growth of 14.3%.)





## CELEBRATING SUCCESS

# Malaysia, ‘Where Love Grows’

*On the occasion of Malaysia’s Independence Day*

**DEA’s RONALD BERA** engaged the High Commissioner to Kenya **H.E ISMAIL SALAM** on his country’s achievements and relations between the two countries. *Excerpts*

**DIPLOMAT EAST AFRICA: Your Excellency, Diplomat East Africa congratulates you and the people of Malaysia on this important occasion. What is the significance of the day for Malaysians, and how does the country view itself?**

**H.E ISMAIL SALAM:** Independence or “**Merdeka**” Day is always a special occasion for all Malaysians as this celebration reinforced the measure of our belonging, however diverse we were in terms of economic standing, ethnicity or religious backgrounds, we are **One Malaysia**.

Despite the challenging global economic environment, the Malaysian economy is developing fast – with strong growth, phased liberalisation, and greater connectivity. Malaysia is on track to reach its national economic ambition: to become a high-income nation by 2020. Under a Government Transformation Programme launched in 2010 which then followed by Economic Transformation Programme, Our Prime Minister, Dato’ Sri Mohd Najib Bin Tun Haji Abdul Razak, lead the structural reforms in the Government and reinforced the structure of the economy in building towards a more resilient, sustainable and globally competitive Malaysia.

Currently, Malaysia remains to be one of the major trading nations and among the leading exporters of electronics and information technology products in the world. Our economy is diversifying: in 2008, oil and gas accounted for 39.7 percent of total revenue, but this year its projected to be 28.9 percent. Services now account for 55.2 per cent of GDP, well on the way to our target of 65 per cent by 2020. Inflation is projected to be between 3 and 4 per cent, and we are essentially at full employment.

Globally, Malaysia was ranked 6th in the latest ‘Ease of Doing Business’ report by the World Bank, 12th out of 60 countries in the IMD’s World Competitiveness Yearbook and 3rd in Bloomberg’s list of the 22 best emerging markets. We are also a safe haven for investment. According to the World Bank, Malaysia’s investor protection regime is ranked fourth.



(continued)...

**Q: Looking back, what have been the highlights of independent Malaysia?**

**A:** Malaysia's independence after more than 400 years of colonialism through peaceful, non-violent struggle may not have received the attention that some countries such as South Africa, India or even Kenya received. But what Malaysia has accomplished since then is something that we are really proud of and believe could be shared with the world, both about the economics, and about how to construct a vibrant multiracial, multiethnic, multicultural society.

The Malaysian economy at independence was deeply segregated between ethnic groups. The massive social imbalance between ethnic groups broke down into vicious rioting in 1969. Our government then initiated the New Economic Policy (NEP), which was developed in response to massive economic disparities along ethnic lines after independence. The NEP incorporates the two-pronged objective of eradicating poverty, irrespective of race and restructuring the Malaysia society to reduce and eventually eliminate the identification of race with economic functions.

Our founding fathers strongly believed that our national unity was unattainable without greater equity and balance among Malaysia's social and ethnic groups in their participation in the development of the country and in the sharing of benefits from modernization and economic growth.

**Q: What is the genesis and subsequently, the state, of relations between Malaysia and Kenya?**

**A:** Malaysia established diplomatic relations with Kenya in 1965 with the opening of a Trade Office in Nairobi. The past several years have witnessed the maturing of relations between Malaysia and Kenya which has been underscored by the close political relations especially the warm and friendly relationship between the leaders of both countries and in the context of South-South Cooperation.

Among the East African Community member states, Kenya is our leading trade partner and major export destination for Malaysia made products. The value of total trade between Malaysia and Kenya has been rising during the last two years and the trend is expected to grow further. As at June 2014, total export was valued at US\$ 339.88 million against total of US\$ 277.41 million in 2013.

**Q: How much ground has been covered at the various levels of relations between the two countries?**

**A:** There is certainly still plenty of room for further expansion and strengthening of political, economic, social and cultural cooperation between Malaysia and Kenya. As both countries gained their independence at almost the same time and shared common history with more or less similar demographic makeup, there is certainly much that both countries could share and learn from each other.

We would like to see more Malaysian involvement and participation in economic activities and development programmes in Kenya. We think it is important for Malaysians to consider and seize these opportunities now. Other Asian countries such as China, India, Japan and South Korea already have a strong presence in Kenya, the so-called gateway to the East African region.

Up to the end of 2016, 320 Kenyan officials had participated in various short and medium term courses under the Malaysia Technical Cooperation Program (MTCP) that has been in place since 1996. And currently, around 700 Kenyan students are furthering their studies in various public and private institutes of higher learning in Malaysia. We foresee that our cooperation in training and education is beneficial for both countries and will further increase in the future.



In terms of investment, Golden Africa Kenya Ltd, a subsidiary of Pacific Interlink Sdn. Bhd. of Malaysia is in the process of setting up a palm oil refinery plant in Athi River, around 30 km from the capital Nairobi. This will be one of the biggest cooking oil refineries in the region and will be able to cater for the needs of the East African countries. The plant is expected to commence operations in 2015 with initial production capacity of 700 mt per month.

Meanwhile, another Malaysian company, Probase Manufacturing Sdn Bhd, a specialist in soil road technology for rural area, has recently signed a memorandum of understanding with the Meru County Government to embark on a pilot project to build 10 kilometers road in Meru. The project will commence in early September and if successful, the company may be granted a contract to build around 300 kilometers of road in the county.

**Q: Which diplomatic, economic and cultural agreements have been signed between Kenya and Malaysia, and what is the significance and implications of the agreements?**

**A:** Since the establishment of diplomatic relations in 1965, Malaysia and Kenya have signed two Agreements and three Memoranda of Understanding (MoU), namely:

- i. Agreement on Economic, Scientific, Technical and Cultural Cooperation signed on 16 August 1995;
- ii. Agreement on Sister Ports signed between Port Klang Authority and Kenya Ports Authority on 27 November 2006;
- iii. MoU between the Government of Malaysia and the Government of the Republic of Kenya on Co-operation in the Planning and Implementation of Road Projects was signed on 18 April 2007;
- iv. MoU on Scientific and Technological Cooperation was signed in Nairobi, Kenya on 18 April 2007; and
- v. MoU on Tourism Cooperation and Development was signed in Kuala Lumpur, Malaysia on 1 June 2012.

The following draft Agreements/MoUs are still under consideration of both Governments:

- i. Trade Agreement;
- ii. Air Services Agreement;
- iii. Agreement on Education; and
- iv. Double Taxation Agreement (DTA).

**Q: What can be expected in the immediate, medium and long-term future?**

**A:** For the immediate future, we need to work out more high level visits both at the Ministerial and Official level so as to further promote and strengthen the existing bilateral relations. Other activities towards the increase of people to people contacts and exchanges in art and culture should also be encouraged. Secondly, we should encourage more interaction between private sectors of both countries to look for trade and investment opportunities and partnerships in the area of education, healthcare services and pharmaceutical products distributions, tourism, palm oil plantation and processing, construction and machine and technological development.

Kenya is positioned very strategically in the center of the region or the so-called “Hub and Gateway for East African Region.” Malaysia will need to do more in term of trade with Kenya to further boost our exports of palm oil and other consumer goods including Halal products. There is also need for Tourism Malaysia to look into this region both for promotional activities and development of tourism products and other related activities. Therefore, we need to embark on more trade and investment promotion missions to Kenya, including exhibitions on specific area of interest especially on education and medical tourism.

We have also been inviting Malaysian ICT companies, Universities and construction companies to look into investment opportunity in the development of Konza Techno City, the Silicon Savannah and centre of excellence in the African continent.



**Q: Malaysia and Kenya share a common history with interesting tales that sometimes seem unimaginable: both countries were colonised by the British and 50 years ago, some years after independence, Kenya's GDP was much higher than Malaysia's – but 50 years on, the tables have turned! What happened? What did Malaysia do to achieve this great success?**

**A:** The Malaysians' social contract was born during their freedom struggle against the British, in which the Chinese and Indian migrants agreed to special rights for the Malay majority and Malays agreed to grant citizenship to a million-plus Chinese and Indian migrant workers in the 1950s. That communal understanding provided a framework for peace, harmony, stability and growth, which has benefited all communities. Then our government embarked on the New Economic Policy (NEP) in early 1970's. As a result, Malaysia, has achieved better minority-majority harmony and peace. This understanding has worked for all communities in Malaysia translated into Malaysian culture of communal co-existence.

**Q: Malaysia is an industrial country and it exports industrial products amounting to \$100-plus billion. This is a mythical figure especially when people learn that Malaysia lacks in most natural resources if compared to several countries including Kenya. How does a nation reach such levels, and what lessons can a country that has an abundance of natural resources learn from that?**

**A:** Malaysia economic transformation can be considered as one of the most successful among developing economies for fairly straightforward reasons. First, it has been one of the most open economies in the world with a few trade barriers and very open to foreign investment.

Secondly, we have been quite good on macroeconomic management and consistently have very low inflation. It has never had a balance-of-payments crisis in our history and that is a very important achievement for us.

Thirdly, Malaysia has fairly excellent physical infrastructure such as roads, railways, harbors, airports, and ICT support. Coupled with sound economic and development policies and strong public and private sector partnership, these factors have contributed positively to Malaysia's progress.

Fourthly, we have a stable government with institutions that have been of fairly high quality, and reasonably independent. It inherited a British-style civil service, which has been maintained and consistently improved.

**Q: From your time here, what is the advice you have for Kenyans (and East Africans) so that they can achieve development?**

**A:** I guess I am not an expert and in a position to tell and advise Kenyans how to carry out development programmes in Kenya and this region. I believe the Kenyans themselves know better how to develop their country and address all the challenges faced by Kenya. The situation here is unique to Kenya and the region, therefore it will need a Kenyan solution. However, we are certainly ready to work together with Kenyans and share our knowledge and experience if requested. Currently, a team of Malaysian experts from the Performance Management & Delivery Unit (PEMANDU) is working with the Tanzanian Government in their transformation programme. PEMANDU's main role and objective is to oversee implementation and assess progress of the Transformation Programme in Tanzania. So far, the Tanzanian Government is very happy and satisfied with the progress that they have achieved.

**Q: As a person from a county that is a great advocate of free trade arrangements, which it heavily gains from because its economy is heavily geared towards trade, tell East Africans the benefits that await them if the regional integration process comes to fruition.**



## SPECIAL REPORT

MALAYSIA TECHNOLOGY



**A:** Most developing countries or new economies may find it difficult to become established in a competitive free trade environment. It may lead to increase in domestic economic instability as their economies become dependent on global markets. It may also result in structural unemployment in the short term. As it

is not a level playing field, some of the economies may find it difficult to compete for long periods under such conditions.

However, at the same time free trade enables countries to specialise in the production in which they have a comparative advantage. With specialisation, countries are able to take advan-

tage of efficiencies and generated economies of scale and increased output. Free trade will improve the efficiency of resource allocation, provide a greater variety of goods and services, which then could lead to rising living standards, increased real incomes and economic growth. These all are created by more industries that are competitive, increased productivity, efficiency and production levels ■

### MALAYSIA ALUMNI ASSOCIATION OF KENYA

(MAAK)



### INVITATION FOR REGISTRATION

#### Profile

Malaysia Alumni Association of Kenya (MAAK) was established to provide a platform for a better networking, coordination and cooperation to all Malaysia Technical Cooperation Program (MTCP) participants and Kenyans graduated from various Malaysia Higher Education Institutions.

#### Registration Guide

Registration form can be downloaded through the High Commission of Malaysia's website at [http://www.kln.gov.my/web/ken\\_nairobi/home](http://www.kln.gov.my/web/ken_nairobi/home) and email to [mwnairobi@kln.gov.my](mailto:mwnairobi@kln.gov.my).

Every registration shall be authenticated by a copy of certificate from the institute of higher learning in Malaysia.

Please call +254 20 7123374/75 for more information.

### ASEAN COMMUNITY 2015



Brunei



Cambodia



Indonesia



Laos



Malaysia



Myanmar



Philippines



Singapore



Thailand



Viet Nam

#### Overview

The Association of Southeast Asian Nations, or ASEAN, was established on 8 August 1967 comprises of 10 member states i.e Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Viet Nam.

#### Vision

In achieving the ASEAN Vision 2020 of an outward looking, living in peace, stability and prosperity, bonded together in partnership in dynamic development and caring societies, ASEAN Community will be launched in 2015.

#### Objectives

To promote peace and stability, to accelerate economic growth, to encourage active collaboration in various aspects, to provide assistance to all members, to promote Southeast Asian Studies and to maintain close cooperation within existing international and regional organisations.

## EVENT HIGHLIGHTS THROUGHOUT 2016



Boss Club Trade & Investment Mission in Kenya



United Nations Environmental Assembly



High Level Meeting of GPEC



ISK International Day



HALUAN Eidul Adha Charity Mission



Program Mendampingi Rakyat Malaysia



PEMANDU Meeting with President Magufuli, Tanzania



Dinner with Eastern European Missions



ASEAN Charity Bazaar and Food Festival



## EVENT HIGHLIGHTS THROUGHOUT 2016



Petronas Evacuation From  
Juba, South Sudan



High Commission  
Year-End Gathering



Second HLP Meeting  
in Somalia



Eidul Fitr with Cabinet  
Secretary of Foreign Affairs



Probase Meru Road Project  
Opening Speech



Foodstuff for Eidul  
Fitr Charity



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