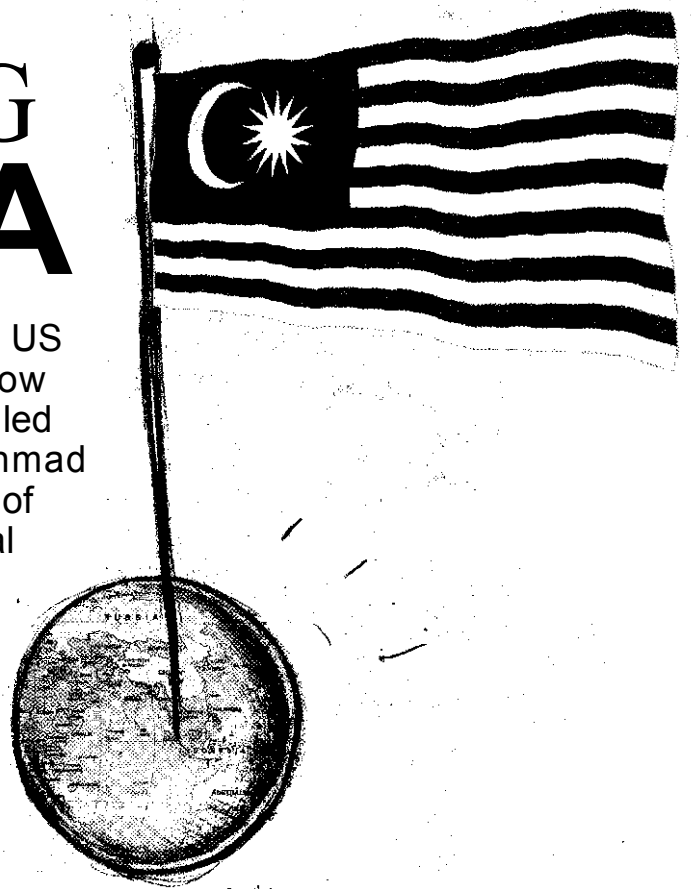


MARKETING MALAYSIA

While Malaysia evoked the interest of the US business community on a recent road show by the country's corporate heavyweights led by Prime Minister Datuk Seri Abdullah Ahmad Badawi, more needs to be done in terms of refurbishing its image on the international circuit.

By Manik Mehta from New York



MALAYSIAN Prime Minister Datuk Seri Abdullah Ahmad Badawi's 'team' of Malaysian corporate heavyweights made a first-ever collective pitch in New York in mid-September for Malaysia as an attractive destination for business and investment, evoking interest among the US business community. However, Malaysia needs to refurbish its image on the international circuit if it wants to profile its attractive attributes.

The team, appearing at a New York road show held during the Prime Minister's visit to New York for the United Nations General Assembly session, included Datuk Azman Mokhtar, managing director of Khazanah Nasional Bhd; Tan Sri Francis Yeoh, group managing director of YTL Corporation Bhd; Ralph Marshall of Usaha Tegas Sdn Bhd; Datuk Ahmad Zubir, group CEO of Sime Darby Bhd; Justin Leong,

head of strategic investment of Genting Bhd; Datuk Nazir Razak, group chief executive and managing director of CIMB Bhd; Datuk Tony Fernandes, group CEO of AirAsia Bhd; and George Ratilal, vice-president (finance) of Petronas.

Though this effort purported to attract further investments and business, Malaysia would do well to correct some of the fallacious perceptions about it in North America. For one, US businesses should know that although Malaysia is a predominantly Islamic nation, it practises a liberal and tolerant Islam which coexists with other religions. Even during the Malaysia was promoting a vision of Islam of *Islam Hadhari* aimed at a progressive and peaceful Muslim world. Abdullah condemned terrorism as violating the tenets of Islam. The relations exercise by the Malaysian Government, tailored to inform the foreign business community

about Malaysia's moderate system, its democratic structure, an independent judiciary and transparency in many areas of concern to foreign companies, would help dispel doubts still nursed in some sections of the business community here.

This exercise would gain credence if non-Malaysian journalists are invited to Press conferences organised during important visits and events for visiting Malaysian politicians. While it is important to have a coterie of Malaysian journalists to cover events for the home media, Malaysia also needs exposure in the foreign media. Fortunately, the US media hardly took note of Abdullah's latest visit to New York. In contrast, leaders of India, the Philippines, Indonesia, China, the United Kingdom and the Netherlands, received prominent coverage in the US and international media. Indeed, China made a strong media impact when visiting President Hu Jintao explained his side of

the story in the ongoing trade dispute with the US, and corrected some 'wrong impressions'.

At a Press conference, Yeoh of YTL best formulated the sentiments when he said that non-Malaysian journalists should have also been there to cover the event so that they could witness the gathering of businessmen from various sectors, various ethnic backgrounds and faiths working together as a 'dream team'. "They (non-Malaysian journalists) should have been invited to all our Press conferences," said another Malaysian businessman.

Inviting foreign journalists will enable them to better understand and explain Malaysia's business environment. Some US companies with big investments in China, for example, are having second thoughts about putting all their eggs in the China basket, especially after the anti-Japanese riots that erupted in China in April, resulting in the destruction of Japanese assets in China.

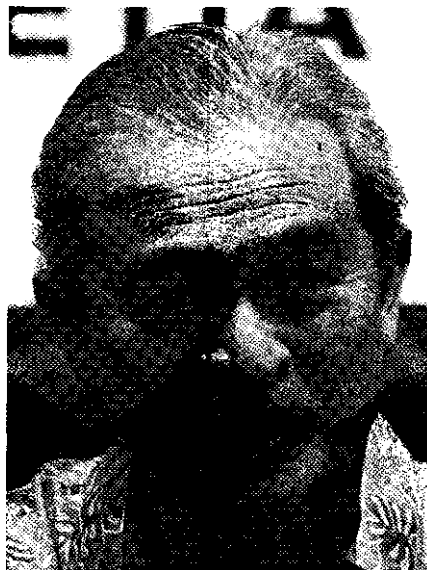
'If it could happen to the Japanese, it could also happen to us, if something goes wrong at the political level'—this is a common fear of many US corporate executives alarmed by these events.

Indeed, Malaysia could be presented as an alternative site for those unsure about concentrating their resources on one particular foreign destination. US corporations consider it a prudent economic strategy to diversify assets in foreign countries. Malaysia should turn this propensity into an opportunity by playing its cards well.

The US side is, apparently, worried about the phenomenon of outsourcing which local politicians now and then exploit, for political ends, to score a few points amongst the worried workers and the trade unions. However, compared to the heavy flow of outsourcing work to India, for example, Malaysia has so far attracted far less traffic from the West. Malaysia has been, to borrow a local euphemism, 'tip-toeing' gently in this part of the world as far as outsourcing is concerned.

Of course, Malaysia's trade surpluses do occasionally raise eyebrows in Washington but, again, the issue pales before the huge surpluses amassed by China and other countries.

"Yes, there is a trade surplus in Malaysia's



Abdullah: Urging American businessmen and investors to use Malaysia to invest in other Islamic countries

favour but I think this is because of the nature of the products and commodities imported from Malaysia. The imbalance will probably not cause market disruption as in the case of textiles from China or government-subsidised steel from other countries,' says an official of the US Chamber of Commerce, who prefers to remain anonymous.

One positive sign welcomed in the US is the recent de-pegging of the ringgit from the US dollar.

Many, if not all, US businesses are aware of opportunities in Malaysia. Indeed, Matthew Daley, the president of the Washington DC-based US-Asean Business Council (USABC), which promotes business and economic ties between the US and the Asean region, sees Malaysia as a 'model country' in many ways.

Interviewed after a closed-door meeting in New York between a high-powered business delegation of US corporate executives, under the aegis of the USABC, and the delegation led by Abdullah, Daley tolls **Malaysian Business**: 'Besides being a successful democracy Malaysia has a vibrant economy which has, evolved itself from an agro-based to a hi-tech industrialised structure. Malaysia has been - and continues to be - an area of growth.'

A retired American diplomat and an old Asia hand, Daley was impressed with the

'innovative business ideas' emanating from Malaysia. 'You can see their innovative abilities in the way they are trying to build up an Islamic banking system. I can tell you that the USABC sees Malaysia as a key country in the Asean region,' he explains.

During the road show, Abdullah urged American businessmen and investors to use Malaysia to invest in other Islamic countries, highlighting Malaysia's good relations with member countries of the Organisation of Islamic Conference (OIC). Abdullah, currently OIC chairman, said that Malaysia was a leader in Islamic banking and finance. It was well-placed to become a global hub for Islamic financial and banking services. Daley says Asean's combined resources and economic strength matched those of China. With more than 500 million consumers and a combined gross domestic product (GDP) of US\$ 700 billion, the Asean region is an obvious destination of US goods, services and direct investments. According to USABC's projections, the Asean region's GDP is expected to surpass US\$ 1 trillion in the next few years.

Daley adds Asean could enhance its attractiveness for foreign investments by moving towards region-wide non-tariff standards. Common region-wide vehicle emission norms, for example, could greatly simplify the vehicle manufacturing process and designing, and thus sharpen the competitive edge of car manufacturers throughout the region.

While Malaysia's intellectual property rights (IPR) regime is not an issue with most US companies, the US feels that 'there is room for improvement, and Malaysia is going to be an attractive destination in the long term, particularly for foreign IT companies that depend on an effective IPR regime'.

Besides Daley, the US side that met Abdullah and his delegation included Stephen Biegun of the Ford Motor Company, Jack Boyce of General Electric Asset Management, Stephen P Farrar of Guardian Industries, Daisy Liu of Conoco Phillips Inc, Stanley O Roth of the Boeing Company, Jeffrey R Shafer of Citigroup, Prosser Stirling of Oracle Corporation, and Rex Tillerson of ExxonMobil Corporation. Virginia Foote and Marc Mealy, both representing the USABC, were also present. **mb**