


MALAYSIA AT A GLANCE



Population
26.2 million (C.N. 2005)

Capital
Kuala Lumpur

Area
329,847 sq km

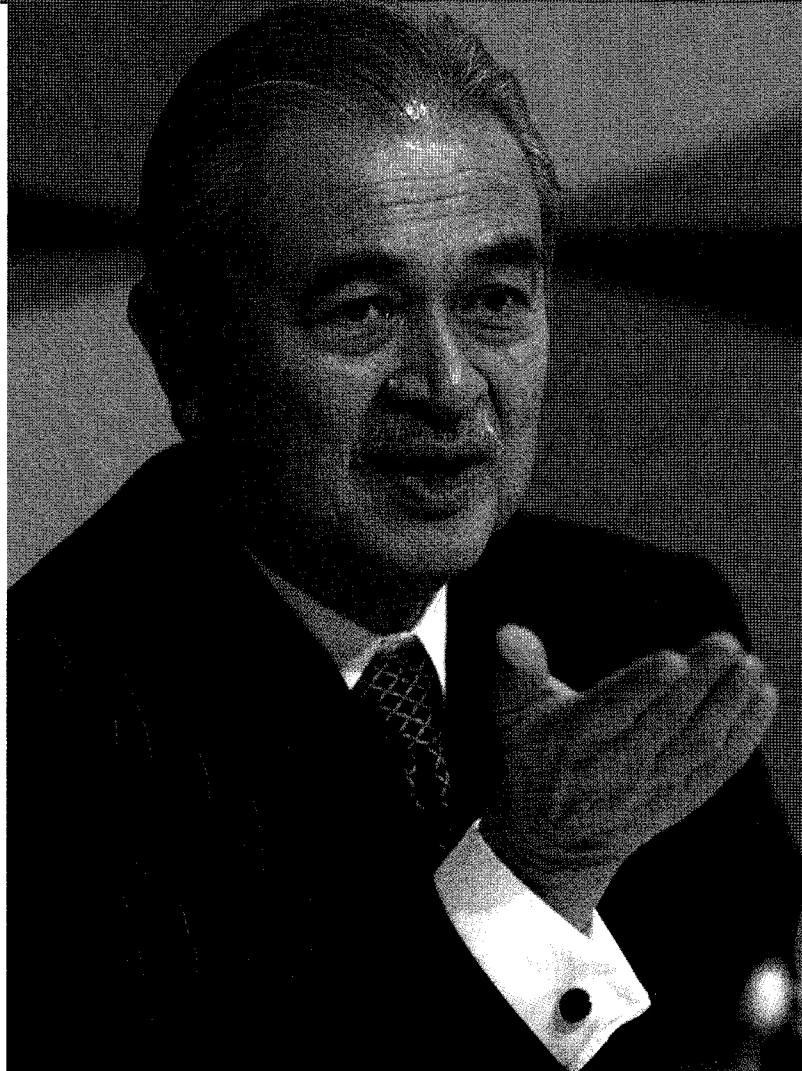
Major languages
Malay (official), English, Chinese, dialects, Tamil, Javanese, Malaysian

Monetary unit
Ringgit (RM 100 per)

Main exports
Electronic equipment, petroleum and liquefied natural gas, chemicals, palm oil, wood and wood products, rubber, textiles

GNI per capita
\$4,968 (World Bank 2006)

Leadership
Head of state:
 Tuanku Syed Sa'uddin
Prime minister, finance minister:
 Abdullah Ahmad Badawi
Deputy PM, defence minister:
 Najib Razak
Foreign minister:
 Syed Hamid Albar



In the 2007 budget, Malaysian Prime Minister Abdullah Ahmad Badawi cut corporate tax and introduced incentives for the Islamic finance and property trust industries to help attract more investment and boost economic growth.

BLOOMBERG

of sights, sounds, smells and tastes with the numerous ethnic groups and religions living side by side.

The main ethnic groups on the peninsula are Malays (the majority), Chinese, Indians, Eurasians and the indigenous people, known as the Orang Asli. In Sabah and Sarawak, there are over 30 ethnic groups, although some groups are made up of less than 100 people.

Most major religions are represented in Malaysia although Islam is its official religion.

It is not always easy when there are conflicting needs but Malaysians are generally a sensible, easy-going and pragmatic lot, and have learnt that to give-and-take is more profitable than to be selfish. This has kept harmony in diversity.

Cultural diversity notwithstanding, in the cities, it is sometimes not easy to differentiate one ethnic group from another, in terms of fashion, food and speech! Living together and Westernisation have their effects.

FOOD & FUN

Malaysians' love for life is expressed by their love for food!

Malay, Chinese and Indian food – from cheap hawker fare to fancy dinners at trendy restaurants – is available widely. As Malaysians love food, one can also find hundreds of restaurants offering other types of food, from American to English, French, Swedish, Lebanese, Indonesian, Italian, Japanese, Korean and Thai in Kuala

Lumpur. Halal food is available everywhere.

Many of the ubiquitous “mamak” (Indian Muslim) restaurants are open 24-hours in suburban neighbourhoods and big towns. Meeting at the “mamak” is both social and gastronomical. Families eat there, so do office workers, businessmen and students.

Even during the fasting month of Ramadan, restaurants in the cities run a brisk business for non-Muslims during the day.

Religious festivals like Christmas, Deepavali and Aidil Fitri are deemed opportunities for merry-making, open houses and eating; after religious obligations are carried out. Even the King, the Prime Minister and Ministers also hold

Malaysia Focus

Stockbrokers in Kuala Lumpur. In the equities market, Bursa Malaysia has a total market capitalisation of over RM1.2 trillion (\$319.7 billion).



their own for the public.

Clubs, cinemas, karaoke joints and theatres are entertainment hot spots for the young and young-at-heart in the cities.

BUSINESS

To realise its vision as a leading hub for global businesses, Malay-

sia set up the Multimedia Super Corridor (Malaysia MSC) to spearhead the growth of the information and communications technology (ICT) industry in the country. Tax breaks, competitive telecommunication tariffs, research grants, marketing grants and training rebates are given as incentives (See sidebar

below).

Malaysia is now ranked by experts and multinational companies as the fifth most attractive business location in Asia Pacific in the United Nations's publication *Prospect for Foreign Direct Investment and the Strategy of Transnational Corporation 2005-2008*.

MALAYSIA: THE CHOICE OF MNCs

Some reasons why Malaysia is the preferred choice as a regional base, as reported in the MSC Global Shared Services and Outsourcing Hub (SSO) website:

DHL Worldwide Express, a pioneer of the international air express industry, opened its \$52-million centre in Cyberjaya, in 2002. This DHL APIS is one of three strategic global Information Services (IS) centres offering the development of world-class IS solutions to DHL's worldwide operations. Its chief information officer Stephen McGuckin was quoted as saying that when DHL was considering where to locate its Asia-Pacific IT hub, it looked at a host of countries including Singapore, the Philippines, Hong Kong and India. However, he said the choice to locate in the MSC was based on the special incentives which include its Bill of Guarantees, commitment to the introduction of cyber laws and a host of other perks.

German luxury carmaker **BMW** is building its headquarters in Cyberjaya which would house its Regional Group Data Centre. It would be one of only three in the world and would serve the entire Asian region. BMW Group Malaysia Managing Director Wolfgang Schlimme was quoted in the website as saying: "This is part of our continued investment here in Malaysia. We chose Malaysia as the focus of our investments in the region because we recognise that it is a key market for us. To be able to call yourself a truly premium company, this ethic must be reflected in everything that you do."

Hong Kong and Shanghai Banking Corporation (HSBC), dubbed the world's second largest bank, set up the largest of all its seven service centres in the world, in Cyberjaya in May 2004. The MSC was chosen for its strong labour force with good language skills, excellent telecommunications infrastructure

and growing high-tech based economy. The move — which aims to reduce costs and boost efficiency — will involve moving some 4,000 jobs out of its home base to lower-cost "global service centres" that it has set up in India, China and Malaysia.

The **Shell Group** set up its third, and largest global IT desktop support centre in Cyberjaya in early 2002. The Cyberjaya Shell information Technology International (SITI) centre is the group's third — the others are in Houston, United States and Manchester, England.

"The decision to locate in Cyberjaya over eight other locations, including Singapore and Hong Kong, was based on criteria such as political and economic stability, IT infrastructure, labour cost and language proficiency," Shell Global IT Delivery Services general manager Dr Aad Van Strien was quoted as saying.



HSBC
Amanah
Islamic Banking Solutions



And according to the *Global Competitiveness Report 2005-2006* by the World Economic Forum, Malaysia ranked 24th in the growth competitiveness index among 117 countries. Competitiveness is defined as a collection of factors, policies and institutions which determine the level of productivity of a country. Malaysia leads when compared to other Asian countries.

Not surprisingly, top-notch companies have chosen Malaysia as their base for regional and global operations. Malaysia is a prime choice for ICT, business process outsourcing (BPO) operations, marketing research, and research and development (R&D) activities.

Companies like DHL, BMW, EDS, IBM, ACS, HSBC, Intel, Motorola, Nokia, Unisys and Shell have placed their regional hubs in Malaysia, servicing millions of internal and external clients around the world. These companies leverage on time-zone advantage (GMT+8) in Malaysia for their global 24x7

support operations. AT Kearney ranked Malaysia as the world's third most attractive location for Shared Service and Outsourcing (SSO) – behind India and China.

People, cost and business environment are the three factors that have drawn these big companies to Malaysia. Malaysia offers multi-lingual, educated and experienced workforce.

Malaysia has world-class infrastructure, offers industry and government support and has a dynamic ICT and sourcing industry. A robust capital market and a strong financial sector act as firm foundation for financing, fund-raising and other business needs.

The world is now congregating in Malaysia even as its homegrown companies like Telekom, YTL and Petronas spread their webs worldwide.

FINANCIAL INFRASTRUCTURE

Aside from sectoral perks, overall good governance, a reliable finan-

cial sector and an innovative capital market are important criteria to consider when businesses decide to relocate, or invest in a particular location. They are important for business growth, and the nation's own economic development and wealth creation.

Malaysia was the first to come out with a Capital Market Master Plan and a Financial Sector Master Plan. The 10-year plans launched in 2001 provided certainty in the direction of the development of the two sectors. Banking and capital market sector consolidation in the last few years had resulted in stronger entities better able to support the needs of the local and international business community. The two sectors are also being liberalised in stages.

What Malaysia also offers, aside from the conventional capital market products and services, and beyond that offered by many jurisdictions, is a vibrant Islamic capital market.

AFF
With banks like HSBC going into Islamic consumer banking in a big way, Malaysia offers plenty of choices to Muslims who want to invest according to Shariah principles.

Malaysia Focus



PATRICK GOH

English is the medium of instruction at private universities and colleges, and is used at the post-graduate level in select public universities like Universiti Putra Malaysia.

As at May 2006, there were 89 Islamic unit trust funds in Malaysia, with a total approved fund size of 52.1 billion units and a net asset value of RM8.57 billion (\$2.32 billion), constituting 8.1% of the net asset value of the Malaysia unit trust industry. The Islamic corporate bond market is RM120.9 billion (or 55.0%) of the total corporate bond market. In the equities market, 85% of Bursa Malaysia's total listed stocks (market capitalisation of over RM1.2 trillion (\$319.7 billion) as at end July 2006) are classified as Shariah-compliant stocks.

"With a leadership position in Islamic finance, Malaysia is uniquely positioned to develop significant international presence, and offers, like the Dubai International Financial Centre, a regional gateway for Islamic finance for the South and East Asian markets," said the Malaysian SC Chairman Datuk

Zarinah Anwar in August after the commission signed a Memorandum of Understanding (MOU) with the Dubai Financial Services Authority.

With the MOU, Malaysia is also hoping for Malaysia to become a "Recognised Jurisdiction" under Dubai's fund management laws, to allow Malaysian unit trust funds to be marketed and distributed in Dubai.

Recently, the Malaysian SC issued the Guidelines for Islamic Real Estate Investment Trusts (REITs), making Malaysia the first jurisdiction to issue such guidelines, setting a global benchmark for the development of Islamic REITs.

PLACE TO CALL HOME

Many have therefore chosen to work in Malaysia. And some, from United Kingdom, Australia, Europe, United States, Korea, Japan

and Middle East, are also investing in properties in Malaysia, partly due to the favourable currency exchange rate.

Property prices are low in Malaysia for the value they offer. For a fraction of what they would have to pay in their home countries, many can own high-end properties in Malaysia. In Kuala Lumpur, areas like Bukit Tunku, Damansara Heights, Mont'Kiara (see inside story) and some parts of Ampang, are expatriate favourites because of their central locations and surrounding facilities. Mont'Kiara, for instance, has a British international school and an American one. A French school is coming up. Ampang on the other hand is where most embassies and high commissions are located.

Those who choose to relocate can choose residences from terrace houses to semi-detached and

detached homes, apartments, condominiums and serviced suites. Some of the best residences are also available in tourism areas like beaches, near jungles, near theme parks, recreational areas and city centres.

MALAYSIA MY SECOND HOME

The programme was designed to allow people from all over the world who meet certain criteria to stay in Malaysia on a social visit pass with multiple entry visas. Applicants can bring along their spouse and unmarried children below 18 years' old.

Participants under 50 years' old must open a fixed deposit account of RM300,000 or \$75,000. Those above 50 can either open a fixed deposit account of RM150,000 or \$40,000, or show proof of a monthly off-shore income of RM10,000 or \$2,500. Participants must maintain at least RM60,000 or \$15,000 throughout his second year of stay onwards.

EDUCATION: GLOBAL BUT LOCAL

Malaysia offers a peaceful and friendly environment for study, an established education system, accredited programmes, low cost of living and tuition fees, a modern infrastructure, and an efficient transportation system. These factors make the stay of any international student both beneficial and enjoyable.

There are more than 200 educational institutions in Malaysia, comprising private schools, international schools, private colleges, private universities, foreign universities branch campus, English language centres and public universities.

The presence of more than 40,000 international students in schools or pursuing tertiary courses ranging from diploma and degrees to PhD reflects the confidence and acceptance of Malaysia as a destination to acquire academic qualifications.

English is the medium of instruction at private universities

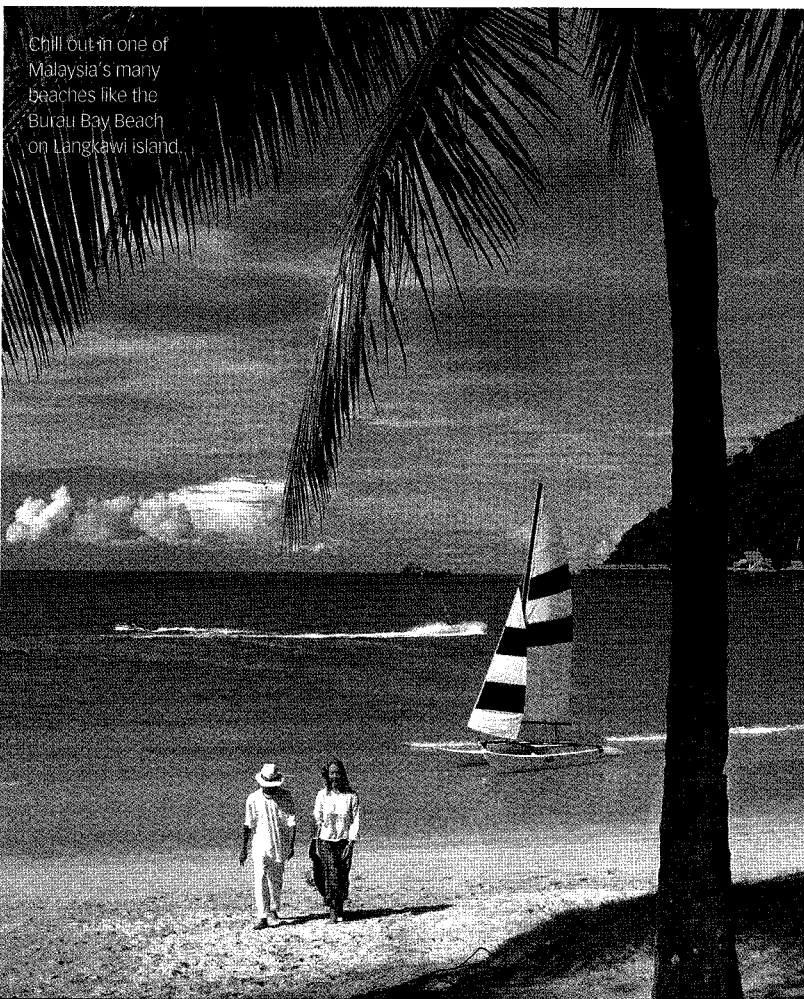
and colleges, and is used at the post-graduate level in select public universities like Universiti Putra Malaysia.

International students can choose to pursue Malaysian degrees or even British or Australian degrees in Malaysia. Malaysia is acknowledged as a pioneer in the development of transnational education. Twinning Bachelor degrees (e.g two years in Malaysia and one year in the host university) and 3+0 international degrees (where the entire foreign degree programme is taught in Malaysia) are offered to local and international students at cheaper tuition fees based on the Malaysian Ringgit as compared to the more expensive currencies from countries like the United Kingdom, United States and Australia. The University of Not-

tingham, University of Monash, Swinburne Institute of Technology, Curtin University and FTMS-De Montfort University have also set up campuses in Malaysia.

Some doing post-graduate studies in Malaysia are those who had successfully completed their first degrees in Malaysia, while others relocate here for a year or two, to soak in the ambience and to learn about another culture, even as they study for internationally-recognised post-graduate degrees. Some are in Malaysia on the recommendation of their professors in their home countries.

At the school level, one can find international schools offering curriculum countries from various countries including: United States, United Kingdom, Japan, Turkey, Saudi Arabia and Taiwan. ☉



Chill out in one of Malaysia's many beaches like the Burau Bay Beach on Langkawi island.



Living in Malaysia means living in one of the biological hotspots of the world. Malaysia has lowland and montane rainforests, limestone hills and caves, peat swamps, mangroves, lakes and rivers, islands, sandy beaches and clean seas."

TOURISM MALAYSIA