



World Eye Reports Malaysia

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www.worldeyereports.com

Eastward gaze was key to the development of modern Malaysia

As Malaysia celebrates its 55th anniversary of independence today, its leaders may look back to the early years when its economy was primarily dependent on just two sectors: agriculture and mining. There is a very different vista today.

The country is still blessed with an abundance of natural resources that continue to contribute significantly to its gross domestic product (GDP) and enable Malaysia to be self-sufficient in energy. But over the intervening years since its birth, the country has also embarked on a series of strategic economic policies that have transformed it into an industrialized multi-sector economy.

Industry led Malaysia's GDP growth in the 1980s, and Japanese companies played a significant role in this development through their involvement in the National Car Project that eventually led to the creation of the Proton.

The relationship between Malaysia and Japan deepened further with the introduction

of Malaysia's Look East Policy (LEP) in 1982. "Within a year after Tun Dr. Mahathir Mohamad became prime minister, he announced an initiative to learn from the experiences of Japan for the nation building of Malaysia," explains Shigeru Nakamura, ambassador of Japan to Malaysia. "He believed that the secret of Japanese success and its remarkable development lay in its labor ethics, morale and management capability. He felt a program enabling young Malaysians to learn in Japan would contribute to the economic and social development of their country."

In the three decades since LEP's introduction, over 15,000 Malaysian students have been sent to Japan. These students have brought back their expertise and knowhow to Malaysia and strengthened the country's reputation as a favorable destination for Japanese investment.

"One of the main reasons Japanese companies continue to invest in the country is due to the successful implementation of LEP," says Takashi

Hibi, president of the Japanese Chamber of Trade and Industry in Malaysia. In 2011, Japanese companies were the largest investors in Malaysia with over 1,400 companies operating in the country across a wide range of sectors.

To further attract foreign investment and strengthen Malaysia's economic position in the region, the Malaysian government launched a comprehensive Economic Transformation Program (ETP) to effect the next transformation of the country into a high-income economy by 2020.

National key economic areas have been identified, including energy, financial services, tourism, business services, electronics and electrical, wholesale and retail, education, health care, communications content and infrastructure, agriculture and palm oil and rubber.

"The commodity sector offers ample business opportunities for investment from Japan," says Y.B. Tan Sri Bernard Giluk Dompok, the minister of plantation industries and com-



Shigeru Nakamura, ambassador of Japan to Malaysia

modities. "The areas include: production of value-added food and nutritional products, biomass-based products and renewable energy. The ministry is optimistic that, with the available infrastructure and raw materials from the commodity sector, Malaysia offers huge potential to Japanese investors."

In 2011, Malaysia exported commodity products valued at about \$3 billion to Japan, representing an increase of 29.6 percent from the year before. Japan is also a major market for Malaysian liquefied natural gas (LNG).

"Japan is our biggest buyer,

accounting for almost 62 percent of our total LNG exports," says Datuk Dr. Abdul Rahim Hj Hashim, president of the Malaysian Gas Association. "That is equivalent to almost 20 percent of Japan's total LNG imports."

"We've always considered Malaysia to be a close friend in the region, and with the opportunity for further collaboration in many fields we hope Malaysia fulfills its ETP goal," says Nakamura.

The 30th anniversary of the LEP commemorated this year has culminated in the establishment of the Malaysia-Japan International Institute of Technology (MJIT).

"I hope that, through continued assistance and cooperation in the years ahead, MJIT will be a center of education excellence — not only for Malaysians — but also for students from other countries, especially from the ASEAN region," says Malaysian Prime Minister Datuk Seri Najib Tun Razak.

"On this note, I wish to reaffirm my strong confidence in the continued relevance of the LEP in promoting close cooperation between our two countries. It is my fervent hope that the existing friendly and cordial relations between Malaysia and Japan will continue to strengthen and expand in the future." ♦

Performance and reliability push the joy of motorcycling

In just three years since the establishment of a joint venture between Honda Motor Co. and Oriental Holdings in 2009, Boon Siew Honda has consolidated its market-leading position: setting the bar high as far as successful Japanese-Malaysian partnerships are concerned.

"Today, we are proud to be a Malaysian company," says Satoshi Okada, Boon Siew Honda's managing director and CEO. "We are constantly looking for new ways to contribute to society and develop the market. In fact, we will commence production at our new factory in Penang in February 2013."

The new \$62 million environmentally friendly plant set on 23.3

hectares will be five times larger than the existing plant, and annual production capacity will grow correspondingly to 350,000 units.

"Several operations such as the head office, parts center, safety riding center and motorsports department, currently located in different parts of Penang, will be transferred to this new facility," says Okada.

The company's dealer network currently comprises almost 300 outlets across Malaysia. It is also developing its brand image through direct product launches.

Compared with 2011 when the company launched just one product, this year will see nine launches to be followed by another nine next year. "Our strategy is to continue to present new models through our comprehensive and growing dealership network," says Okada.

The new facility will allow the production of models with medium-size engines as well as high-value-added models.

For example, the company's new 125 cc model Honda Future boasts improved



Satoshi Okada, managing director and CEO of Boon Siew Honda Sdn. Bhd.

performance and lower running costs. It will be an integral product for Boon Siew Honda's vision of reaching out to younger Malaysian riders. "Malaysia's younger generation consider Honda to be a conservative brand," says Okada. "As a result, we have been actively strengthening our image in the local market for the last two years by reinforcing our commitment to motorsport racing."

The company remains focused on Honda's "three joys": the "Joy of Buying," the "Joy of Selling" and the "Joy of Creating." Malaysian customers demand products that exceed their expectations, and they've learned to expect that from Boon Siew Honda. ♦
www.boonsiewhonda.com.my



Boon Siew Honda's new \$62 million production facility in Penang.

Malaysian R&D gives the world a better, greener tire

The Malaysian Rubber Board (MRB), custodian of the Malaysian rubber industry, is the world leader in research on the production of natural rubber and the manufacture of rubber-based products.

One of its innovations is Ekoprena™, a class of specialty rubber made by the epoxidation of natural rubber latex. Epoxidized Natural Rubber (ENR) was first developed by scientists of the MRB (then known as the Rubber Research Institute of Malaysia) in the 1970s. In the 1980s, MRB demonstrated that ENR, when reinforced with silica fillers, provides exceptional-

ly low rolling resistance and good wet grip, making it highly suitable for use in tire treads.

At that time, the economic and environmental climate was not favorable for commercial applications of ENR. The situation has now changed. For several years, MRB's R&D centers in Malaysia and the U.K. have been working on further development of ENR compounds for commercial vehicle and passenger tires.

The introduction of this groundbreaking new material has been the result of MRB's comprehensive R&D programs that enhance added-value in natural rubber by

improving properties and expanding applications for niche and advanced products. The technology for Ekoprena™ production is now being transferred to two established rubber processors to ensure its commercial availability worldwide.

Under the 10th Malaysian Plan (2011-2015), the government has outlined various new approaches to transform Malaysia into a high-income and high-productivity economy, in line with the New Economic Model. Twelve National Key Economic Activities (NKEA) were identified to boost the country's economic performance.

Oil palm and rubber is one of the twelve NKEAs. The rubber industry alone is targeted to contribute \$17.6 billion to the national product by 2020. The Ekoprena™ project was accepted to be one of the four Entry Point Projects under the NKEA.

According to Datuk Dr. Salmiah Ahmad, director general of MRB, the rubber industry in Malaysia has proven to be a sustainable industry. "After more than 130 years



Datuk Salmiah Ahmad, director general of Malaysian Rubber Board

of involvement, the industry continues to contribute significantly to the country's export earnings," she says.

Malaysia's first Ekoprena™ experimental tire will undergo commercial vehicle service trials in the U.K. this year. An agreement between MRB-U.K. and South Mimms Travel of the U.K. was established to evaluate tires using environmentally friendly green technology. ♦
www.lgm.gov.my



The rubber industry alone is targeted to contribute \$17.6 billion to the national product by 2020.

Malaysia is still the land of opportunity for Japanese business

The late Tan Sri Suzuki, founder of the Japanese Chamber of Trade and Industry in Malaysia, was one of the biggest proponents of the Look East Policy introduced by then Prime Minister Tun Dr. Mahathir Mohamad in 1982. Suzuki encouraged a significant number

of Japanese investors to go to Malaysia. His son, Ichiro Suzuki, continues the legacy of strong Japanese-Malaysian cooperation.

Suzuki invested in Malaysia 12 years ago and brought in food packaging technology from Japan. Hiro Food Packages Manufacturing (Hiro) is today a leading local food packaging company that exports 650 types of packages to 78 countries around the world.

"We brought in technology, machines and a few supervisors from Japan to establish Hiro," says Ichiro Suzuki. "All this was made possible by the platform created by Malaysia under the Look East Policy."

In Malaysia and the rest of Southeast Asia, food habits are changing. Busy lifestyles are resulting in an increased demand for "Grab and Go" food, which requires safe, functional and aesthetically appealing packaging. "Eating smart when you're 'on-the-go' can be difficult," he adds. "Quality food packaging helps consumers with regard to their

daily intake of healthy food.

"Our research and development takes place in Malaysia," Suzuki explains. "We are still learning about the different 'ethnic' market sentiments, which compel us to create what we call 'different culture-different packaging' approach. The products we develop in Malaysia can then be applied to markets in rest of the world."

With quality product development, hygienic manufacturing processes and stylish product designs, Hiro today exports 80 percent of its production worldwide. The company's dedication to customer service has supported Hiro's development.

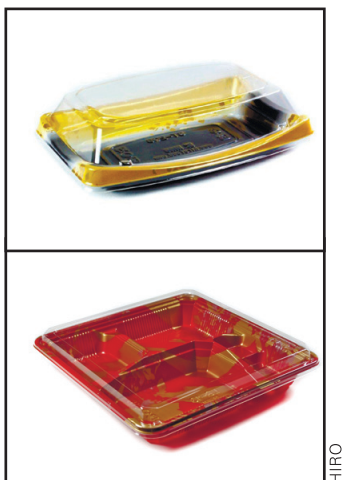
Having lived in Malaysia for most of his life and maintaining a strong relationship between his family and that of Tun Dr. Mahathir (together they own The Loaf, a lifestyle bakery and bistrot with nine outlets across the country), Suzuki is regarded as Malaysian as he is Japanese. He is just as keen today to encourage further investment from Ja-



Ichiro Suzuki, managing director of Hiro Food Packages Manufacturing Sdn. Bhd.

pan into Malaysia, and wants to see ever closer relations between the two countries.

"Malaysia is a great country and the government has created a very business-friendly environment," says Suzuki. "I successfully brought Japanese food technology to Malaysia. There are many other opportunities in Malaysia for Japanese investors to seize." ♦
www.hirofood.com



Hiro Food Packages Manufacturing exports 650 types of packages to 78 countries around the world.

'Made in Japan' combines seamlessly with 'Implemented by Malaysia'

With strong domestic demand and the increase in foreign and local investment in the Malaysian economy, seamless integrated logistics solutions are essential for companies investing in Malaysia.

Established in 1974 and part of Japan's NYK Group, TASCO is a pioneer in the logistics industry in Malaysia. It offers clients customized logistics solutions through inter-modal transportation, total supply chain solutions, value-

added services, warehousing and door-to-door delivery solutions.

TASCO is an exception within the NYK Group. The international transport giant and its newly rebranded logistics arm, Yusen Logistics, usually establishes itself under its own corporate brand internationally. In Malaysia, however, NYK has entrusted TASCO to represent it because of the company's wealth of expertise and domestic market knowhow. In fact Lee Check Poh, managing director of TASCO, was the first non-Japanese to lead a subsidiary in NYK's vast Asian network.

"Our relationship with NYK Group is unique in the region," says Lee. "We are very proud of this."

"The synergy between our companies is complimentary because while certain solutions are 'Made in Japan,' the implementation of these solutions is 'Implemented in Malaysia'," he explains. "We have incorporated the NYK Group values of Integrity, Intensity and Innovation into our company to ensure we are driven to meet our customers' requirements."

In recent years, TASCO's centrally located warehouse-

ing capabilities have been integrated with its land, sea and air freight solutions to gain a competitive advantage. TASCO currently has 200,000 sq. meters of warehouse space, 250 units of prime movers and trucks and over 30 branches across Malaysia.

"To add value to our customers we will focus on tailor-made services that meet their specific needs," says Lee. "With the strengthened Yusen Logistics brand and our comprehensive network, we will continue to build on our achievements and find new ways of providing innovative



Lee Check Poh, group managing director of TASCO Berhad solutions supported by our quality service." ♦
www.tasco.com.my



TASCO currently has 200,000 sq. meters of warehouse space in Malaysia.

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Malaysia

Japan looks to palm oil for renewable energy



Malaysia's natural resources will continue to play a significant role in the country's economic future, under the framework of the government's Economic Transformation Program (ETP). As of 2011, the Malaysian palm oil industry was the second largest contributor to the country's economy, accounting for 46 percent of global

palm oil production and amounting to 38 percent of Malaysia's exports. And now new applications are being explored by Japanese companies to use the resource for renewable energy.

"Our palm oil industry is a major income earner for the country, with a growth rate of 4 to 5 percent every year," says Malaysian Palm Oil Council (MPOC) CEO

Tan Sri Datuk Dr. Yusof Basiron. "We constantly strive to improve the industry's environmental performance. There is tremendous potential for the industry to accelerate growth in Malaysia's economy."

Palm oil currently accounts for fully 28 percent of the world's edible oil and fat supplies. Eighty percent of palm oil and its derivatives are used as a food source, while 15 percent is used in oleochemicals. Renewable energy sources and biofuel account for the remaining proportion. The MPOC has also recently stepped up its research and development efforts to focus on using palm oil as a source of renewable energy.

"Companies are aiming to exploit palm oil for biomass and biofuel applications," comments Basiron. "The Japanese have been researching Malaysian palm oil for industrial applications here in Malaysia for many years. They are keen to develop it as an alternative energy source. As with many other countries, Japan is



Tan Sri Datuk Dr. Yusof Basiron, CEO of Malaysian Palm Oil Council

also turning away from oils with trans fats, and palm oil is free of that and rich in beta carotene and vitamin A."

"We value the Japanese business culture," he adds. "Through continued exports and technology transfer, particularly in biomass and biofuel, we hope to contribute to, and strengthen, our two countries' trade relations." ♦ www.mpok.org.my

Thirty-five years later, atop a growing market



Nobuyuki Tanaka, managing director of Hino Motors Malaysia Sdn. Bhd.

By providing best-in-class vehicles and quality service, Hino Motors Malaysia has become the top commercial vehicle supplier in Malaysia. It continues to drive growth by introducing new vehicles and focusing on customer requirements throughout the country.

"Our customers want less downtime and lower lifetime costs," says Nobuyuki Tanaka, managing director of Hino Motors Malaysia. "Our dealers have three functions: vehicle sales, parts sales and after-sales service. We are focused on providing high-quality, value for money service and high QDR (quality, durability, reliability) products."

Celebrating 35 years in Malaysia this year, the company almost doubled its sales from 3,003 units in 2008 to 5,829 units three years later in 2011, securing a 35 percent market share. By increasing customers' trust and confidence in Hino products and dealers, Hino Motors Malaysia aims to further increase its presence in Malaysia with a goal of selling 10,000 units by 2014.

It is a key part of the Hino group's assertive strategy to grow global sales by a significant 73 percent from 2010 to 2014. While China and Russia are targeted as Hino's main emerging growth markets, Malaysia is considered an important "foundation market" for the group.

"Hino is contributing to the growth of the Malaysian economy," says Tanaka. "We have a great team consisting of Malaysian and Japanese employees, all of whom are dedicated to providing customers with excellent service and high-quality, environmentally friendly vehicles. Hino was the first vehicle manufacturer to introduce hybrid vehicles into the Japanese market."

This year, Hino Motors Malaysia introduced the Hino 300 Series. Boasting the first fully automatic transmission to be installed in a light commercial vehicle, the new series, focused on reliability, fuel efficiency and powerful engine performance, consists of six models with three different cabin variations.

"We are confident that the new 300 Series will be well-accepted in Malaysia," concludes Tanaka. "Our customers have strong confidence and trust in Hino and appreciate our reliable vehicles, innovative solutions and the customer service commitment of our team." ♦ www.hino.com.my

Building a country, and a reputation, through infrastructure development

Active in some of the largest infrastructure projects in Japan, the Sato Kogyo group of companies is celebrating 150 years this year. As well, Sato Kogyo (Malaysia) celebrated its 40th anniversary last year while building on a successful foundation that it has worked hard to develop through four decades of infrastructure expansion.

Engaged in the construction of factories, commercial complexes, apartments, recreational facilities, highways and bridges, heavy industrial plants, oil and gas projects, dams and water treatment plants, Sato Kogyo has contributed significantly to the development of Malaysia.

"We are proud to play a role in the development of this country's infrastructure through our involvement in a large variety of infrastructure projects," says Yasuro Negishi, the company's managing director in Malaysia. "We have tremendous expertise, which we have shared with Malaysia. At the same time we continue to look for opportunities in the oil and gas industry and waste management projects."

Among Sato Kogyo's first projects in the country was the Langkawi Cement Plant. Malaysia's west coast Langkawi archipelago is known as the "Jewel of Kedah." It was developed extensively during the Tun Dr. Mahathir Mohamad's term as prime minister, who was born and raised in nearby Alor Setar, in the state of Kedah.

"We completed the Langkawi Cement Plant and Langkawi International Airport thanks to the development plans of Tun Dr. Mahathir," says Negishi. "As a foreign company, we became partners with local firms such as Bina Puri and Malaysian Resources Corp., with whom we have built strong relations over the years. I want to further strengthen these partnerships as we move forward."

Sato Kogyo also built the 60-km controlled-access highway connecting Kuala Lumpur to the town of Karak, Pahang. The highway incorporates a twin tunnel at Genting Sempah, close to the major tourist magnet and gaming destination Genting Highlands.

Its successful work in Malaysia has taken Sato Kogyo to the highest rank — Grade G7 — accorded by the Construction Industrial Development Board of Malaysia.

"We have the expertise and knowhow for projects ranging from high-rise buildings to heavy industrial plants," concludes Negishi. "We can offer technical, financial and management support, and we remain committed to the continued development of this country." ♦ www.satokogyo.com.my



The Karak Highway is one of Sato Kogyo's numerous projects in Malaysia.

Merging global expertise with local knowledge

A unique company, MSIG Malaysia started from a very small company and has grown to be its current size and accumulated the best practices of New Zealand, Britain and Japan through a series of mergers and acquisitions. A member of MS&AD, MSIG is the largest marine cargo and fire insurer and the largest general insurance company in Malaysia.

Mergers and acquisitions that began in 2006 between Mitsui Sumitomo Insurance and Aviva Insurance was the basis for the creation of MSIG Insurance. In 2010, the company established a strategic partnership with another company: Hong Leong Assurance. With this foundation of insurance heavyweights, MSIG is now a leader in Malaysia's

burgeoning insurance sector.

"With the mergers that took place, we essentially acquired the best products, people and practices from each company," says Chua Seck Guan, CEO of MSIG. "Today, we are a well-established firm with solid financial backing. We are well-equipped to serve all our customers."

MSIG benefits from having a multichannel delivery network through both agents and brokers. The firm has local and Japanese corporate clients and has established successful partnerships with several financial institutions. The company is also well represented via a network of 20 branches with strong representation in Johor Bahru and Penang.

It focuses on providing customers with innovative insur-

Logistics solutions provider creates stronger links between nations

Nippon Express Malaysia (NEM) was established in 1984. Since then it has grown from an initial five-person team to over 1,200 employees today. The company's core business activities in Malaysia include international freight forwarding and logistics services, warehousing and distribution, overseas removal services and value-added logistics.

The company has eight branch offices in Malaysia with 14 warehouses and one subsidiary company, Nittsu Transport Service (NTS).

"We sincerely believe the logistics industry, and Malaysia as a country, will continue to evolve," says Tsutomu Iwasaki, NEM's managing director. "And we want to grow with Malaysia. We are preparing ourselves and our employees by building on our core strategies."

Employee training is at the heart of the company's approach

to continued growth. For example, NEM's eco-driving concept corrects the driving habits of company drivers to cut greenhouse gas emissions and reduce road accidents. The plan involves installing digital tachograph systems in vehicles, analyzing data and providing instant feedback to drivers.

NEM drivers are trained to reduce sudden braking, abrupt acceleration, speeding, idling and shifting gears outside the green eco-zone. The company has brought this concept and technology from Japan to Malaysia to create a cleaner and safer environment in the Southeast Asian country.

"Nippon Express is committed to Malaysia and we will continue to grow with the nation and her people," says Iwasaki. "Our strategy will be to further strengthen our domestic business through the development of our workforce while we create

value-added logistics services and warehousing and distribution solutions."

Crossing borders, Nippon Express has set up a 7,000 km overland transport route from Shanghai to Singapore. It is known as the "SS7000 Cross Border Trucking Service Linking East and South Asia." Both NEM and NTS play an integral role in the 1,000 km link within peninsular Malaysia, where cargo volume is at its highest. This link is part of the "Oriental Land Bridge Express" linking Bangkok and Singapore.

"Our customers can expect a superior level of service from us as we continue to invest in our people and our infrastructure in Malaysia," Iwasaki continues. "We also want to congratulate Malaysia on its 55th anniversary of Independence Day and commemorate the 30th anniversary of the successful Look East Policy. At NEM, we hope the cur-

rent spirit of friendship and good partnership between the two countries continues for another 30 years and beyond." ♦ www.nipponexpress.com



Tsutomu Iwasaki, managing director, of Nippon Express (Malaysia) Sdn. Bhd.



Nippon Express warehouse located in Penang, Malaysia.

The ties that bind support Malaysia's bid for developed status

Japanese technology and products have played an important role in Malaysia's industrialization during the last three decades. As a leading manufacturer of power and telecommunications cables, Penang-based Fujikura Federal Cables (FFC) supplies cables and wires to Malaysia's telecommunications, automotive and oil and gas industries. In fact, fully half of the cables used by state-owned oil and gas company Petronas are supplied by FFC.

Established in 1987 as a joint venture between Fujikura in Japan and FCW Industries in Malaysia, this year marks the company's 25th anniversary.

"Our first customer was Telecom Malaysia," recalls Nobuo Ninomiya, managing director of FFC. "We were the first manufacturer in Malaysia to start commercial production of optical fiber cables in 1993."

In 1996 the company expanded its manufacturing facilities and product range to serve other local industries and to meet demand from foreign markets.

"We have contributed a lot to Malaysian industry," says Ninomiya. "And we currently export 40 percent of our production, contributing to Malaysia's trade balance."

FFC's major products include medium and low voltage power

cables, instrument and control cables, fire-resistant cables, lead sheath cables, optical fiber cables, elevator cables, automotive wire and bare conductors.

"Our products contribute to a number of robust sectors such as oil and gas, automotive and construction," he adds. "Most of these sectors, particularly in the oil and gas sector, require very high-quality cables and wires to ensure safety and efficiency. With the technology from our parent company in Japan, we feel we are capable of providing the best in quality products and service."

Recently, the company has participated in Telecom Malaysia's High-Speed Broadband Project. This initiative to roll out high-speed broadband service across the country requires fiber-optic lines to be installed in every home in Malaysia's major urban areas.

"We are very proud to be part of this nationwide project as it is aimed at uplifting the lives of Malaysians and positioning the country as an ICT hub in the region," says Ninomiya. "After 25 years in the country, we are committed to introducing new products, solutions and technology so that we can contribute to the growth of Malaysia as it aims to become a high-income nation by 2020." ♦ www.ffcpg.com.my



Nobuo Ninomiya, managing director of Fujikura Federal Cables Sdn. Bhd.

Finding the precious in industrial trash

Jaring Metal Industries (JMI) has been a leader in waste reduction and recovery strategies since 1997. By specializing in scrap removal and recycling for local industries, the company has developed a strong foothold in Malaysia. With an initial public offering planned for later in the year, JMI is focusing its efforts on remaining a leader in metal recovery and processing.

JMI extracts and processes gold, silver, platinum, palladium, copper, brass, bronze, tin, aluminum and other precious, ferrous and non-ferrous metals from discarded electronics, appliances and semiconductors.

"Our facilities include a metallurgy laboratory that offers a full range of accredited metallurgical and testing capabilities," says Thomas Ng, JMI's managing director. "We convert waste materials into products used by the domestic and global metal industries. Our experience, environmental track record, material management and logistics capabilities have enabled us to become the premier choice for the environmentally friendly recovery and treatment of waste materials."

By having its own metallurgy laboratory, JMI has been able to keep abreast of technological developments necessary for efficient metal recovery and processing practices. The company's major export markets include Hong Kong, China, the U.S., Taiwan and Japan.

In particular, the Japanese market is of significant importance to JMI. The company supplies its higher-quality recycled products to the main "foundry" companies in Japan, who then resell the products to other industrial players in the country.

"Our Japanese client base is our strategic partner," says Ng. "Japanese businesspeople are trustworthy and we enjoy doing business with them. Our clients in Japan require extremely high quality products, which we are able to provide through our dedication to efficient metal recovery and our advanced processing technologies."

The company intends to continue investing in new technologies and equipment to produce even better quality secondary metals in the future.



Thomas Ng, managing director of Jaring Metal Industries Sdn. Bhd.

"JMI has acquired a significant amount of expertise in the industry since we began," says Ng. "We remain committed to investing in the latest technologies. We want to position JMI as an industry leader with the ability to serve our existing and future customers." ♦ www.jaringmetal.com

Flexible manufacturing solutions from Asia's 'Silicon Island'

Many multinational companies from the U.S., Europe and Asia-Pacific have established strategic partnerships with electronic manufacturing services provider NationGate Technology to deliver turnkey operations and reliable supply chain management solutions.

Based in Penang, known as Asia's "Silicon Island," NationGate has since 1998 provided a one-stop solution to its customers with an integrated process that includes printed circuit board assembly (PCBA), plastic injection and mechanical assembly. It caters to tier one original equipment manufacturers.

A world-famous outsourcing hub, Penang offers distinct advantages to the homegrown contract manufacturer. Its strategic location on the island provides NationGate with access to an excellent supply chain of supporting industries and an abundant source of competent engineers, technicians and professionals.

"We have a highly dynamic and committed management team that is swift in making decisions," says the company's managing director Ooi Eng Leong. This enables the company to

offer high-quality customer service and support to its clients to help them achieve their goals.

NationGate hurdles the stiff competition in the PCBA industry with its flexible manufacturing solutions. While most manufacturers avoid customized production, NationGate accommodates clients' demands for low volume and high component mix production.

Such flexibility has positioned NationGate as a complete provider of high-quality products and service solutions.

"Customers need a solution to their problems," Ooi says. "If you cannot provide the solution, the customers will not come to you."

With average growth of 25 percent every year and sales reaching \$72 million in 2011, NationGate is currently pursuing business diversification and expansion.

"Our primary goal is to assist in the growth and development of our existing clients, and create win-win business partnerships," Ooi says. "We will be focusing our business on the automotive, life science, LED and medical industry sectors."

The company announced plans to go public

via the Malaysian stock exchange next year. NationGate also aims to attract institutional investors and is keen on working with international partners. ♦ www.nationgate.com.my



Ooi Eng Leong, the managing director of NationGate Technology (M) Sdn. Bhd.



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A key component for industry, honed from Japan to Malaysia

Considered a pioneer and leader in fiber and materials technology, the Teijin group continues to expand into a variety of global industries. Focusing on the plastics side of the group's business, Teijin Chemicals has grown into one of the world's leading manufacturers of polycarbonates and polycarbonate alloys. In the last six years, the company's subsidiary in Malaysia has



grown three times its original size. Polycarbonate, a type of thermoplastic polymer, possesses qualities of strength and high heat resistance. Because it is easily molded and thermofomed, polycarbonates are used in an increasingly wide range of applications.

The Malaysian operations of Tei-

jin Chemicals began in 2006, with the establishment of Teijin Kasei Malaysia. Naoki Adachi, its managing director, spearheaded the establishment of the subsidiary after realizing the potential of the market. "We saw Malaysia as a potential market to grow our global business. Today the country is the No. 1 market in Southeast Asia for polycarbonate resin," he says.

While polycarbonates are used extensively in the automotive, office automation (OA) and electronics industries, new applications for polycarbonates are continuously being discovered.

"We adapted our business in order to sell to value-added markets" says Adachi. "Today we produce custom grade products for clients in various lines of business. We aspire to be a solutions company. By encouraging open dialogue with our customers, we continually support their business growth."

In Malaysia, the company's Japanese clients have always been im-



Naoki Adachi, managing director of Teijin Kasei Malaysia Sdn. Bhd.

portant. However, the company is continuing to develop its non-Japanese customer base within the increasingly important energy conservation and environmentally friendly sectors.

"We want to provide Malaysian, Japanese and international clients with the solutions they need," says Adachi. "We will develop our company through our dedication to our customers. As the Malaysian economy continues to grow, the domestic market will require more high-end, functional products and we will play our role in meeting that demand." ♦ www.teijinkasei.com

Malaysia takes the regional lead in environmental infrastructure

The goal of Malaysia's Economic Transformation Program (ETP) is to establish the country as a high-income economy by 2020. Over the last two decades the country's industrialization program has taken significant steps in this direction through centralized government initiatives and key infrastructure projects.

The majority of basic infrastructure projects such as roads, expressways and gas pipelines have already been completed. But for Malaysia to realize its vision of becoming a developed nation in eight years the next phase of projects needs to take place. Japanese investment in this respect will continue to play an instrumental role in Malaysia's development.

Tokyo-based JFE Engineering, which evolved from steel and shipbuilding, is now one of the world's leading engineering companies. Its fields of ex-



pertise cover such areas as steel, pipelines, energy and environmental projects. This year marks its 20th anniversary in Malaysia.

"Since we established ourselves here in 1992, we have successfully completed pipeline projects for Petronas and other energy companies," explains Kazuyoshi Fukuda, managing director of JFE Engineering Malaysia. "Our next step is to work on new projects such as municipal solid waste incinerator plants (waste to energy) and wastewater treatment plants, both essential for the country's development."

"Our technology for incinerator plants is one of the most advanced in the world, and we would like to share our expertise with Malaysia as its government develops more such facilities," he adds.

As more projects come along in the country's ETP pipeline, JFE Engineering is actively looking for further opportunities to provide total solutions for environmental and energy conservation issues in Malaysia like municipal solid waste, cen-



Kazuyoshi Fukuda, managing director of JFE Engineering (M) Sdn. Bhd.

tralized sewage system, biomass resourced energy and other environmental projects.

"There is a close relationship between Malaysia and Japan," says Fukuda. "With the ETP, the country is well positioned to acquire more Japanese technology for environmental projects. We feel that Malaysia will be a benchmark for the environmental industry in the region as Indonesia, Vietnam and Myanmar progress to follow in Malaysia's footsteps." ♦ www.jfem.com.my

How Malaysian palm oil helps ensure you get your sugar fix

For its relatively small size and population, Malaysia plays an important role in the global food supply chain. For example, one of its most essential exports is palm oil. The country's outlook points to a continuation of its prominence in providing sustenance for the world, with a trend of adding increasing value to commodity products to create specialty foods that will meet future demand.

Intercontinental Specialty Fats (ISF) is one Malaysian company, considered the first of its kind in the country, which has gotten a head start in this trend through its production



ISF's factory located in Malaysia.



Tsutomu Usui, CEO of Intercontinental Specialty Fats Sdn. Bhd.

of premium-grade specialty fats and oils. In fact, ISF was called a pioneer for its work.

When combined with shea nut fats from West Africa, sal fats from India and illipe nuts from Borneo, Malaysian palm oil can be transformed into a substance equivalent to that of cocoa butter, an essential ingredient in the production of chocolates and confectionaries.

"Current levels of global cocoa production are unable to meet the growing demand for the world's sweet tooth," explains Tsutomu Usui, CEO of ISF.

"Alternatives to cocoa butter must be used to secure a consistent supply to the global food industry. By being close to the source of palm oil here in Malaysia, we are able to provide

alternative specialty fats to our customers worldwide."

When Nisshin Oillio, the largest vegetable oil company in Japan, bought into ISF in 2006, the Japanese company made substantial investments into its facilities, machinery, human resources and technology.

Today, ISF exports 65 percent of its products to European nations and other Western countries. By 2015, all buyers in Europe will be allowed to purchase only Round Table Sustainable Palm Oil (RSPO). Typically ahead of the game, ISF was already granted the distinction earlier this year.

"We have gained a great deal from our Japanese-Malaysian partnership and we will continue to invest in ISF's future," Usui concludes. "Malaysia continues to play a key role in the palm oil industry and benefits from having a highly educated workforce and a pro-business environment."

"By having close relations with our parent company in Japan, we are able to continuously apply new technologies in our facilities and we will provide our customers with a sustainable and uninterrupted supply of specialty oils and fats in the foreseeable future." ♦ www.isfsb.com

A hot sector needs cooling to grow

With a large and increasingly affluent population, Malaysia's food and beverage sector is growing exponentially. In parallel, food safety is becoming an increasingly high priority. Now, coupled with swelling demand for imported food products and Malaysia's rising food processing industry, this hot sector is creating a perfect storm for demand of reliable industrial refrigeration systems.

In Malaysia, Mayekawa was established in 1988, a subsidiary of Mayekawa Manufacturing of Japan, one of the world's most advanced manufacturers of industrial refrigeration compressors. The company's Malaysian clientele include some



Mayekawa screw compressor units for cascade system in food factory

of the largest dairy food companies, breweries and cold storage facilities in the country.

"We are actively pursuing local and foreign companies who are looking to establish manufacturing facilities in Malaysia," says Toshiro Asahina, managing director of Mayekawa (Malaysia). "In addition to supplying the products and technology to support their requirements, we also focus our efforts on providing our customers with the quality after-sales service they have come to expect from us."

The company's range of products include compressors, cooling systems, heat pumps, freezers, food robotics and gas compressors, all of which are able to handle a wide range of gases such as fuel, petrochemical processes and industry gases. While Mayekawa's customers in Malaysia are primarily involved in breweries and in the food, beverage and dairy industries, the company's expertise also extends to the oil, gas and chemical industries.

The company actively promotes



Toshiro Asahina, managing director of Mayekawa (M) Sdn. Bhd.

its energy-saving, environmentally friendly products, such as the "cascade cooling system." This system provides chilled water or chilled brine to facilities whereby liquid media (refrigerant) is used. It contributes to reducing energy consumption by making the compressor run at its highest efficiency and in a stable cooling media temperature.

"As the Malaysian economy continues to grow and become more sophisticated, we expect demand for environmentally friendly products to increase," says Asahina. "We are in a strong position to provide our customers with solutions intended to increase their efficiency, cut costs and reduce their carbon footprint." ♦ www.mayekawa.com

Peace of mind is a priceless asset for business

From the concept and planning stage to technology application and service, Secom Malaysia has gained a reputation based on trust and reliability in Malaysia. The company offers central monitoring, alarm response, CCTV, access control, private investigation and security management, primarily for Malaysia's business community.

"Secom's mission is to establish the benchmark for the local security industry," says Frankie Chai, director and adviser of Secom Malaysia. "We save our customers huge potential losses through our force of over 500 guards and our central monitoring and response divisions."

The company benefits from having the Malaysian Police Co-operative as a shareholder. This provides strong police coordination to enable timely support. It is known that 70 percent of security threats come from internal sources, and Secom Malaysia also educates customers on how to remain vigilant.

Malaysia's Look East Policy — aimed at ensuring the country acquires technological knowhow,

work ethics and values from developed Japan — has helped Secom Malaysia expand its business.

"The business relationship is very strong between Malaysia and Japan and we see this continuing," says Chai. "We want to ensure our Malaysian, Japanese and multinational customers benefit from our services and adopt the right technology and security knowhow to combat specific security threats."

"Our strength lies in our alarm services with central monitoring and prompt response. We are expanding our projects division to handle more complex jobs that require total system integration, but our general direction is to provide quality security services to households, small- to medium-size enterprises and multinational companies, as well as security-dependent industries like banking," says Kenji Ishida, general manager of Secom Malaysia.

"As our customers continue to look after their businesses and increase their profits, Secom Malaysia is proud to continue supporting them through our leading protection and loss prevention

programs," Chai concludes. ♦ www.secom.com.my



Kenji Ishida (left), general manager of Secom Malaysia, and Frankie Chai, director and adviser of Secom Malaysia

Contributing to the development of Malaysia as a regional ICT hub

The development of Malaysia's information and communications technology (ICT) sector is closely linked to the country's Economic Transformation Program (ETP). A subsidiary of NTT Communications Corp., one of the world's largest telecommunications companies, NTT MSC has remained committed to Malaysia since commencing operations there in 1997.

"Our investments in Malaysia have reinforced our infrastructure and created value for our customers and their business communication needs," says Fumitoshi Imaizumi, the company's president and CEO. "As the country embarks on its mission to achieve high-income nation status by 2020, we want to serve the public and private sectors through our ICT solutions and services that facilitate the country's development."

With a reputation as a leading provider of end-to-end network and ICT solutions for multinational corporations, NTT MSC's core competencies include Internet services, system integration and data center services.

Its recent achievements include the construction of a third data center: Cyberjaya3. The complex will support companies requiring high-power, low-latency networks and secure infrastructure platforms on which to build private cloud networks.

Through the partnership between NTT Communications and Telekom Malaysia, the submarine cable system linking Malaysia to Hong Kong and Japan — Cahaya Malaysia — is also under way. The network is designed with the latest 40 Gbps (gigabits per second) wavelength technology and capable of incorporating 100 Gbps for increasing efficiency and high capacity in the future.

NTT MSC also recognizes the importance of investing in Malaysia's next generation. The company is highly active in community education programs through the establishment of the Multimedia Scholarship Foundation.



Fumitoshi Imaizumi, president & CEO of NTT MSC Sdn. Bhd.

"The government is doing an exceptional job with the ETP but I hope they continue to liberalize the industry and examine the electricity tariff rates of data centers considering the level of consumption needed to operate these facilities," Imaizumi concludes. "Through our ongoing investments in people and services, we intend to ensure NTT MSC contributes to Malaysia's goal of becoming a leading regional ICT hub." ♦ www.my.ntt.com



NTT MSC Sdn Bhd
an NTT Communications Company

Proudly Malaysian, with Japanese roots

Malaysia's automotive sector has grown substantially since its beginnings in the Malaysian-Japanese collaboration that developed the Proton, the country's national car project, almost three decades ago.

As the industry developed and demand for parts production and module assembly grew, the two countries again parlayed their close partnership into the establishment of tool producer Miyazu Malaysia (MMSB).

In 2003 Proton Holdings, Miyazu Seisakusho Co. and Sojitz Corp. Japan took what had started out as an independent tooling shop to manage in-house operations of the Proton factory and jointly created MMSB.

"We wanted to expand our capabilities as an independent tool builder and identified Miyazu Seisakusho as an ideal technical partner with which to collaborate," says MMSB's CEO Amrizal Abdul Majid, the catalyst behind the tripartite agreement.

In less than a decade since, MMSB has grown from six employees to 250. It is now recognized as the leading automotive tool manufacturer with engineering, design and manufacturing capabilities in Malaysia.

"Once we had established ourselves as the foremost stamping



The interior of Miyazu's tooling facility

dies provider for Proton cars, our goal was to develop new products and to strengthen our reputation with foreign automotive manufacturers," says Amrizal. "After our first order for Toyota was delivered in 2006, the doors opened for us as other automotive OEM companies began to recognize our technology-driven approach and superior manufacturing capabilities."

Pursuant to the success, in 2007, the company launched its first high-tech tooling plant. It has since delivered products (dies, molds and jigs) and Body in White (BIW) engineering services to major European, Japanese and U.S.-based carmakers. MMSB now has the ability to produce AA class tooling in Malaysia.

"Our research and design focus has enabled us to adapt to changing industry requirements for lighter vehicles," says Amrizal. "By developing ultra-lightweight,



Amrizal Abdul Majid, CEO of Miyazu Malaysia Sdn. Bhd.

high strength body technology materials and engaging in Hot Press Forming (HPF) processes, we are now a key player in the global industry."

Having pioneered MMSB's inception, Amrizal intends to lead the company on a path toward continued growth, while ensuring that technological development and customer satisfaction remain priorities.

"MMSB aims to become the No. 1 toolmaker in the region by providing quality services to global players within the industry," he says. "We aspire to develop new technologies and improve our processes to remain a competitive toolmaker and a proudly Malaysian business." ♦ www.miyazu.com.my

After 25 years, Japanese are locals in

Malaysian oil and gas

Malaysia's energy sector represents about 20 percent of the country's gross domestic product (GDP). The country is also one of the world's leading exporters of LNG (liquefied natural gas). Though the state-owned oil company Petronas holds exclusive rights of ownership, exploration and production of oil and gas reserves, Malaysia also strongly encourages investment from foreign companies through production sharing contracts (PSCs).

Through such contracts, many of the world's leading energy companies are active in Malaysia's energy sector, including Japan's largest oil company, JX Nippon Oil and Gas Exploration.

"2012 marks our 25th anniversary of operations in Malaysia," says Hideki Kitagawa, managing director of JX Nippon. "We are the only Asian foreign energy company to successfully explore, develop and produce here as the operator."



JX Nippon Oil & Gas Exploration

In 1987, JX Nippon was awarded a PSC in the area of Block SK10, located off the coast of Sarawak on the island of Borneo. The company went on to discover the Helang Gas Field in Block SK10 in 1990 and acquired a participating interest in another area — Block SK8 — the following year. Discoveries such as the Jintan Gas Field along with other fields in the block have helped secure the Japanese company a strong reputation in the oil and gas industry.

"Beyond being just a PSC, we es-



Hideki Kitagawa, managing director, of JX Nippon Oil and Gas Exploration Corp.

established an LNG facility — MLNG Tiga — with Petronas and other partners to become a feed gas supplier to the facility," explains Kitagawa. "We began selling LNG from the facility to power and gas sectors, chiefly in Japan and South Korea as fuel for power generation and as feedstock for city gas, and we continue to see our partnerships strengthen."

Today, Malaysia accounts for 35 percent of JX Nippon's total net production of oil and gas. In addition to Vietnam and the U.K.'s North Sea, Malaysia is a core country for the company in terms of exploration activity. In January of this year, Petronas awarded the company with its first offshore deep-water operator project in the waters off Sabah on the northern tip of Borneo.

"As one of active, leading Asian energy companies, I believe we have established a very good relationship with Petronas and we strive to make it even stronger," Kitagawa says. "With the Economic Transformation Program (ETP) firmly in place, Malaysia's strategy is to focus on domestic exploration and development, inviting foreign investors. We intend to seek further opportunities to work alongside our partners through continued dialogue and shared expertise." ♦ www.nex.jx-group.co.jp

Produced in tropical heat, cooling the globe

Hitachi Air Conditioning Products Malaysia (HAPM) chose the country as a manufacturing destination for three reasons: its high level of English speakers in the population, its comprehensive infrastructure and the growth potential of its economy.

Established in 1989, HAPM commenced production of room air conditioners and rotary compressors the following year. The company has since become a leader in the global air conditioning industry.

The key requirements of modern air conditioning units are high compressor performance, efficiency, reliability and reduced noise and vibration. With consistent support from its parent company, Hitachi Appliances, HAPM develops a range of superior products meant for the global market.

HAPM's Multizone system is a split air conditioning structure that combines one outdoor unit with multiple indoor units. It provides flexibility through its diverse cooling capacities, depending on room size and user preference. Installation of the system also provides space-saving benefits.

"We produce the world's No. 1 inverter system," says Ryuichi Funada, HAPM's managing director. "We continually strive to provide superior quality products to our global customers."

"Hitachi developed the first DC inverter room air conditioner with a brushless DC motor in 1983,"



The HAPM facility located in Malaysia.



Ryuichi Funada, managing director of Hitachi Air Conditioning Products (M) Sdn. Bhd.

he explains. "Since then, we have continued to build up our knowhow and develop new technologies to provide customers with an enriching and comfortable lifestyle that can be enjoyed every day."

In January, HAPM increased its manufacturing capabilities to include its first hermetic motor production line for Hitachi's latest lineup of high-efficiency R410A refrigerant rotary compressors. The company also recently debuted their premium and luxurious series of DC inverter SX/SD air conditioners. The revolutionary product ensures premium air quality with its exclusive Triple Air Purification System — combining a Stainless Clean system, UV Fresh air purifier and Hitachi's unique Nano Titanium Wasabi air purifying filter. With this, the SX and SD inverter series manage to keep the air pathways extra hygienic for cleaner air circulation.

By providing the latest in technology, quality and reliability, Funada is confident that HAPM will continue to build on its legacy of international success.

"Today, 90 percent of our products are exported to Europe and the Middle East, and we have developed a reputation for delivering safe and environmentally friendly products. Through our product innovations and our proactive approach to client service, we intend to continue delivering total customer satisfaction," says Funada. ♦ www.hapm.hitachi-asia.com

Correction: In the WER Special Economic Report on Macau published on Aug. 1 2012, it was reported that Li Chi Keung, managing director of the Macau Jockey Club, was previously director of the Asian Racing Federation. However, Mr. Li has never held the position of director of the Asian Racing Federation.

NTM

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