



The iconic Petronas Twin Towers loom over Kuala Lumpur, a city at the crossroads of Southeast Asia and the Islamic world — two of the globe's most growth-driven areas.

Japan and Malaysia’s enduring partnership

Japan’s contributions to Malaysia’s economic growth over the past several decades cannot be overlooked. The two countries’ partnership has been a key factor in Malaysia’s transformation into an economic powerhouse in the ASEAN region.

The Japanese Chamber of Trade and Industry, Malaysia (JACTIM) has played an important role in facilitating this partnership over more than 30 years. Established in 1983, the organization has seen the transformation of Malaysia’s economy from a labor intensive manufacturing hub to today’s sophisticated destination for Japanese investment.

Shuichi Yoshida, former President of JACTIM, noted: “The Malaysian government has implemented its Economic Transformation Plan, with a focus on engineering education. JACTIM has helped to encourage this move by providing support for industry, and through career fairs. We also create internships in Japanese companies here for Malaysian students.”

“Information technology, healthcare and entertainment are some of the niche areas of interest for Malaysia,” said

Stewart Forbes, executive director for the Malaysian International Chamber of Commerce and Industry (MICCI). “Despite all the challenges facing the country, our financial backbone remains robust and Malaysia continues to foster a welcoming business environment.”

One of the most important new focus areas in which Malaysian companies can specialize is the halal food industry. In just one example, Japanese companies are starting to see the potential for lucrative business related to the tourism sector: by making Japan a halal-friendly destination for Malaysians.

Yoshida also pointed out further synergies between Japan and Malaysia — citing Japanese energy efficient technology and the Malaysian market. “Since Jan. 1 this year, the price of electricity in Malaysia has increased significantly as the government tries to decrease subsidies of these utilities,” he said. “This opens up a window of opportunity for Japanese engineering to make its mark on the Malaysian energy sector.”

As Malaysia cements its place on the world stage as a key player in the ASEAN region, Japanese investment and presence within the country continue

“Information technology, healthcare and entertainment are some of the niche areas of interest for Malaysia.”

— STEWART FORBES
Executive Director
MICCI

to bolster the nation’s growth across a broad range of sectors and industries. Malaysia’s large land mass, business-friendly environment, and learned workforce make it an ideal location for Japanese investment and economic growth.

“The country’s brand is the combination of its quality of life, the caliber of its foreign personnel and the government’s attempts to encourage more expatriates,” said Forbes. “It is the totality of Malaysia that makes the country worth investing in.” ♦

MMS sizes up Penang’s global influence

Penang has consistently placed near the top of Malaysia’s industrial food chain since its initial ventures in the 1970s and 80s. Today manufacturers and machinery makers on “Silicon Island” have diversified into high-tech solutions and companies such as Micro Modular System (MMS) continue to advance in a sector with enormous potential.

“During our early days in 1997, we had less than 10 employees,” said MMS managing director, Sia Teik Keat. “We have grown since then, and we have been publicly listed under the umbrella of MMS Ventures in the ACE Market of the Kuala Lumpur Stock Exchange since 2006.”

With industrial automation solutions and LED testing as its core business activities, MMS has carved a niche for itself with multinational companies such as Philips and Osram among its proud partners. Overseas clients, moreover, constitute roughly 60 to 70 percent of its current total annual revenue — a substantial figure for a Malaysian born and bred company.

“We are slowly moving out of the highly competitive semiconductor market, and inching our way toward the LED, general lighting, automotive, and smartphone industries,” said Sia. “Our international clientele ranges across the U.S., Europe and neighboring Asian countries, and we are looking forward to opening up our Japanese market as well.”

While his global network increases, Sia recognizes the need to remain loyal to his company’s unassuming roots. “Big players will always look for high volume and big revenue, and because of this margins can be very competitive,” he added. “We are playing in a niche field, and we are happy to sustain good margins while at the same time providing exceptional service to our customers.”

The next few years will see new processes

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— SIA TEIK KEAT
Managing Director
Micro Modular System

and new machines top the company’s list of priorities. More than anything, however, MMS is looking to capitalize on a rapidly expanding Southeast and East Asian region as potential strongholds for its growing business.

“We had one of our best years last year, and we are hoping to repeat that same performance this year and in the future,” said Sia. “Technology is changing so fast, and so are we.” ♦

www.mmsis.com

Key to global halal sector for Japanese food producers lies in Malaysia

When Datuk Ibrahim Haji Ahmad Badawi started his company over 25 years ago, he was at the forefront of a groundbreaking new technology in food packaging, working closely with a Japanese partner to commercialize a product that would revolutionize the industry.

Today, his company Dewina Holdings has grown far beyond its beginnings in food packaging and authentic Malaysian cuisine, having expanded and diversified into many other different branches and sectors, including manufacturing, industrial catering and food services.

The acquisition of MAS Catering in 2003 started a slew of new businesses, including in-flight catering, bonded warehouses, restaurants and food franchises, all housed under a new public company, Brahim’s Holdings.

“We started off in manufacturing, but now food services has become our biggest growth sector,” Datuk said. The scope of Brahim’s market reach is particularly impressive; it has the largest halal (food cooked to Islamic specifications) flight kitchen in the world, and last year served a record 62,000 meals per day to 37 airlines including such major airlines as Emirates, Cathay Pacific and Japan Airlines.

“Chances are, if you are flying out of Kuala Lumpur on almost any airline, the food will be from us,” explained Datuk. “We’ve got 16 chefs and 1,300 people working around the clock here.”

Serving high-quality halal meals on such a large scale while maintaining the high standards of Brahim’s prestigious partner airlines is no small endeavor. “You can’t mechanize catering,” he remarked. “It takes time to customize. We make all our meals from scratch, even our bread.”

Working from its position as a key player in the global \$1 trillion halal market, Brahim’s is especially involved in encouraging and enabling access to this specialized industry to Japanese companies, who see this as a key growth area for the future. Brahim’s organized a high-level Halal Seminar with speakers from the three top Malaysian halal organizations, viz IKIM, HDC and JAKIM at the Conrad Tokyo hotel on June 2, attracting more than 80 Japanese senior executives.

As Japanese food producers increasingly seek access to this major world market today, Brahim’s long history of partnership with Japanese entities is a valuable asset. Indeed, the group’s presence within Japan and credibility within the halal certifica-



Datuk Ibrahim Haji Ahmad Badawi, Founder and Executive Chairman of Brahim’s Holdings

tion world (Brahim’s Halal Excellence Centre has certified 31 flight kitchens globally) make it an ideal partner for Japanese companies seeking a piece of the halal pie.

“We opened Brahim’s Food Japan in July 2012 to distribute our products there,” Datuk said. “Having a warehouse in Japan makes a big difference when it comes to distribution.” In addition, early June this year saw the opening of Brahim’s first restaurant in Japan in the heart of one of Tokyo’s most bustling areas.

“We are just 300 meters from Shibuya Station on Aoyama Dori, and the restaurant is called

Malay Asian Cuisine,” he noted proudly. “We’re quite happy with its performance, as it has been very well-received.”

Brahim’s continues to liaise with Japanese companies as it encourages education and affiliation with the halal market for interested parties. “Japan is an important market for us,” Datuk concluded, “but we also have inquiries from companies who want access to the Middle East Muslim markets; so we are looking to assist, collaborate or form joint ventures with those interested in this potential-laden sector.” ♦

www.brahimsfood.com

Partnerships and perspectives for global reach

Over 100 years ago, the seeds of what would become Malaysia’s fourth largest banking group were sown. The RHB Banking Group has its origin from Kwong Yik (Selangor) Banking Corporation Limited, established in 1913, as Malaysia’s first local bank.

Over that century, strategic mergers and acquisitions have built the group into the modern financial institution it is today. Most recently, the merger of RHB-OSK Investment Bank has positioned RHB as one of Southeast Asia’s best-connected financial services group — with a presence in eight countries across ASEAN and others, including Greater China.

Group Managing Director, Kellee Kam, is responsible for driving its current vision and overall strategy. A key part of RHB management since 2003, Kam was instrumental in the success of several aspects of the business before assuming his current role in 2012.

RHB’s strong links with Japa-

nese entities have played an important role in bringing the bank to the forefront of both ASEAN and Islamic finance over the course of the past few decades.

Historically, the commercial banking subsidiary, RHB Bank, has had a partnership with Sumitomo Mitsui Banking Corporation (SMBC) over the last 40 years, resulting in RHB building a sizable Japanese portfolio to-date.

While SMBC and Mizuho Bank both have banking licenses in Malaysia, there are still a lot of synergies between RHB and Japanese financial institutions in view of the group’s strong local network and fast growing presence in ASEAN.

One of the most recent and notable deals done was in partnership with Mizuho Bank. In March 2014, RHB Bank acted as the principal advisor to Berjaya Corporation, one of Malaysia’s largest companies, in a landmark cross-border property financing agreement for the development of the Four Seasons Hotel in Kyoto.

Japan. RHB Bank’s reputation for solid, effective financing has made it a partner of choice for major Japanese institutions, both in Japan and abroad.

Furthermore, RHB and the Japan Bank for International Cooperation (JBIC) have a particularly solid relationship, punctuated by five strategic financial collaborations. The most recent one was a memorandum of understanding (MoU) solidified in March 2013, whereby both will work together to identify and fund organizations and initiatives that have a positive impact on the preservation of the global environment.

RHB is the first financial institution in the region to engage with JBIC in such a way. “The MoU marks a significant milestone in the long-term relationship and strong bilateral cooperation between RHB Bank and JBIC,” explained Kam.

The bank’s reach extends far beyond the borders of Southeast Asia. Malaysia is a crucial hub for Islamic finance, maintaining a dominant position as the preferred location for the issuance of global sukuk (the equivalent of Islamic bonds). In fact, Malaysia is responsible for over 60 percent of global sukuk issuances.

Attracted to Malaysia for its strength in Islamic product innovation and sound Islamic regulatory framework, companies from the Gulf Cooperation Council, the Middle East and North Africa can look to RHB for an Asian partner in facilitating Islamic financing requirements for business. “The RHB Group continues to work to ensure that its potential growth platform in the realm of Islamic business is improved and strengthened,” Kam said.



Kellee Kam, Managing Director of RHB group

In this regard, RHB has been supporting several Japanese conglomerates with their Islamic finance needs. Japanese financial institutions are also actively engaging RHB to collaborate in various Islamic financing plans to support Japanese related projects due to the group’s strong expertise, experience and vast distribution network.

Today, RHB looks forward in an era of rapid change and growth, aiming to be a regional powerhouse by 2020. The launch of its latest transformation program — IGNITE 2017 — seeks to propel the group toward being a leading multinational financial services group in the region.

“We are committed to grow with the nation and have over the years contributed to the country’s economic progress and development. We started that 100 years ago, and we will continue to do so for many more years to come.” said Kam. ♦

www.rhbgroup.com



The RHB Center in Kuala Lumpur

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Malaysian Palm Oil: Sustainable production for global food and industry

As Malaysia continues to gain prominence on the world economic stage, the country is increasingly confident about palm oil's place in its economy. Its Economic Transformation Program (ETP) expects the sector to generate about \$54 billion in revenue by the year 2020. Today, this Southeast Asian nation accounts for 39 percent of total world palm oil production, and 44 percent of world exports — second only to neighboring Indonesia.

"It is the oil of the future," said Tan Sri Datuk Dr. Yusof Basiron, CEO of the Malaysian Palm Oil Council. "It carries its own credentials of environmental friendliness, efficient land use and job creation — and its social benefits are tremendous. "Our farmers are benefitting greatly from increased awareness about palm oil's varied uses," he added. "We are proud custodians of their interests and the industry's continued growth."

Sustainable agricultural production

World demand is expected to require double the current production of commodities — including oils and fats — by 2050, and Malaysia plans to continue to take center stage in the international supply chain in this sector. "Other sources of edible oils will not be able to expand so easily, as they are land intensive," explained Tan Sri Yusof. "The responsibility will fall on palm oil, which is land efficient."

Malaysia's strong land conservation policy has contributed greatly to the sustainability of the country's forests. At the Rio Summit in 1992, Malaysia made a pledge to keep at least 50 percent of its land as forest cover, a commitment that has paid dividends for a nation on the verge



The Malaysian palm oil brand is very strong. We have a good track record. We will be able to supply the world's food and energy demands, as well as contribute to the environment, for years to come."

— TAN SRI DATUK DR. YUSOF BASIRON
CEO
Malaysian Palm Oil Council

of its status as a high-income economy. "We shoulder 36 percent of the production of oils and fats using only five percent of the land used by the oilseed industry," he explained.

"Many countries use extensive portions of land in order to maintain their growth rate," added Tan Sri Yusof. "Malaysia can do the same thing by only using 24 percent of its land for agriculture."

An alternative food source

In recent years, palm oil has emerged as a healthy and versatile alternative to traditional ed-

ible oils, as well as conventional sources of energy. "The American Food and Drug Administration has recognized palm oil as a cholesterol-reducing natural material," said Tan Sri Yusof. "This is an important selling point for the industry."

Rich in vitamin E, palm oil boasts potent antioxidants and carotenoids such as beta carotene, which boosts the body's immune system and may help reduce the risk of cancer and heart disease. The absence of trans fats is another health benefit emphasized by the industry.

Renewable energy

Looking ahead, Tan Sri Yusof is aware that value-addition and discovery are foremost priorities. "Production of the oil produces a large amount of biomass, ten times more than the volume of palm oil itself," he explained. "This opens up opportunities and generates new biomass-based industries poised for commercial applications."

The high price of petroleum has also led to an upward trend in international interest in biodiesel and biofuel. Unlike fossil fuels, these are carbon-neutral.

Japanese businesses in particular have continued to be key drivers in exploiting the diverse and sustainable uses of palm oil in industrial applications and consumer products. Inks, adhesives and cosmetics are just some of the segments that have benefited from this natural renewable raw material.

"The Malaysian palm oil brand is very strong," concluded Tan Sri Yusof. "We have a good track record. We will be able to supply the world's food and energy demands, as well as contribute to the environment, for years to come." ♦

www.mpo.org.my

Weststar: Bold moves for a new decade

When group Managing Director Tan Sri Syed Azman Syed Ibrahim emerged from a 13-year career as an officer with the Malaysian armed forces, he used his savings to purchase the beginnings of what would become a multibillion dollar group of companies in just over ten years.

From its relatively humble beginnings as a used luxury car sales operation employing just three employees, Weststar Group of Companies has rapidly made a name for itself in several of Malaysia's foremost industries — including automotive, construction, military and defense and, most prominently of late, aviation services.

One of Syed Azman's initial successes was in commercial vans. An avid traveler, he had noticed that the oversized vans common in Europe and the U.S. were virtually unavailable in Asia, and he saw an opportunity for business.

Thus, Weststar's Maxus line-up of vans was launched. Often used as ambulances, the vehicles are highly customizable, while providing a high-end driving experience. Through an agreement launched in 2010 with Shanghai Automotive Industry Corporation (SAIC), Weststar acquired distribution rights within Southeast Asia, and is the sole distributor in Malaysia.

Today, Weststar Maxus' clients include companies in the banking, tourism and communications sectors.

But the auto business, albeit the bedrock of the Weststar empire, isn't what's been keeping things exciting lately for the company. Syed Azman's entrance into the aviation services industry in 2003 pointed Weststar in a completely new direction.

The move has attracted the attention of a major player in global private equity: Kohlberg Kravis Roberts (KKR). "In 2003, I started our aviation business because I realized that in Malaysia — if you wanted to hire or charter a helicopter, there was no one offering the service. We invested in one helicopter, platforms and licensing," recalled Syed Azman.

Weststar's fleet grew rapidly. "One helicopter became two, two became three, and by 2008 we were operating six helicopters, providing services for television stations, newspapers, government agencies and even flying doctor services," he continued.

Syed Azman then realized the importance of the oil and gas sector for his company's growing fleet. By 2008, the Group's subsidiary, Weststar Aviation Services Sdn Bhd (WASSB) had won its first tender and was well on its way to

becoming a player in the global aviation services industry.

In the first quarter of 2011, WASSB became the largest offshore service provider in the South East Asian region when it was awarded a contract to provide nine AW139 helicopters for five prominent oil and gas companies — PETRONAS Carigali, Exxon-Mobil, SapuraKencana Petroleum (previously known as Newfield), Talisman and Petrofac.

Following this, a few ensuing contracts were awarded in 2012, 2013 and 2014 adding to the list of oil and gas conglomerates which includes CPOC, TOTAL, KPOC, Lundin, WesternGeco, Hess, Shell, Tullow Oil, Mubadala Petroleum, CGG Veritas, ConocoPhillips, INPEX Offshore, PTTEP and Kosmos Energy.

"We are now regarded as a top international aviation company, competing with companies that operate 500 helicopters," Syed Azman said. "Weststar has 45 helicopters, and we only just entered the offshore business in 2008. These other companies have been around for over 40 years."

Significantly, he pointed out, "We operate in Morocco, Mauritania, Thailand and others. In Thailand, we are the largest offshore aviation service provider, so with that, it makes us the biggest



AgustaWestland AW139 helicopter provided by WASSB to prominent oil and gas companies

TOYOICHEM inks 25 years of innovation

The strength of Malaysia's chemical manufacturing industry is not only due to its human capital and strategic geographical location in Southeast Asia, but also its reputation as a hub for cost-effective yet high-quality production.

Celebrating its 25th year as a subsidiary of the Toyo Ink Group Japan in 2013, Toyochem Specialty Chemical (TSC) has continued to exemplify Japan's pledge to bring together technology and human capital in Malaysia, ASEAN's most vibrant economy. TSC is now one of its parent company's most important manufacturing hubs — among its more than 100 subsidiaries all over the world.

"Though already a mature market, Malaysia remains home to one of our group's largest production bases," said TSC's CEO, Hisayuki Abe. "Our products are not only reaching our domestic partners, but also our customers

in countries such as Myanmar, Cambodia, India and China."

While TSC has established itself as a global leader in the sector of color chemicals, functional pigments and printing ink for newspapers, magazines, plastic and — more recently — food packaging, the company has continued to diversify its already broad client base by expanding into other fields such as adhesive chemicals and can coatings, as well as by maintaining its strong footing in more traditional low-cost products.

"While most of our competitors are leaving the news ink segment due to lower returns, we have stayed and captured 80 percent of the region's market share," Abe said. "We export our newspaper ink in large volumes to supply countries such as Indonesia, Myanmar and Vietnam."

TSC's other clients include major European and American players in the food and beverage

packing industries, a number of reputable global automobile makers for adhesive products, as well as several world-renowned Japanese and South Korean electronics giants.

Because of its impressive client base, TSC has persisted in its development of new and innovative products to suit its customers' increasing emphasis on an environmentally friendly supply chain.

"Inks are produced with petrochemicals, but we have always asked ourselves, 'Why not find ways to use natural raw materials?'" Abe said. "We have been working with our R&D facilities to improve our existing palm-oil based products, and also new water-based and soluble inks."

With continuous innovation as its standard, TSC's commitment to its relationship with its clients as well as to the Toyo Ink Group Japan is a testament to its long history of excellence.



Tan Sri Syed Azman Syed Ibrahim, Managing Director of the Weststar Group of Companies

player in two markets (Malaysia and Thailand) whereas in Morocco and Mauritania, we have two helicopters operating in each market."

In addition, the group managing director said WASSB is participating in two major international tenders and hopes to get positive results by year-end.

"We project that we will have 100 helicopters in the next five years; this is my long-term target. We are aggressively expanding in Africa and already have a base there, so it is easy for us to venture into other markets on that continent," Syed Azman added.

To date, WASSB has identified Mozambique as its next potential market. Apart from Africa, it has also earmarked the Middle East and Australia as viable target markets.

It was this remarkable growth that drew KKR to WASSB in early 2013, with an interest in buying a stake in the company. Negotiations were finalized that October. Now, for the first time since its inception, Weststar is owned by more than one party.

For Syed Azman, KKR is the ideal partner: with the necessary experience and expertise to bolster Weststar's success. "I've never had any partners," he explained. "I started this business alone, and it's always been mine alone. KKR is our first ever partner in this business."

ness. We want to learn from them, especially on the finance side, because they are the experts in the field."

Meanwhile, the company's construction business, involved in development projects such as luxury residential properties, has recently been granted a government contract to build 1,500 homes for Malaysian civil servants. And Global Komited, Weststar's specialized vehicle division, continues to engineer and supply military and defense vehicles, as well as ambulances, for the Malaysian armed forces, among other clients.

2015 will see a crucial development in Syed Azman's business as Weststar Aviation Services plans its IPO. "We intend to go public next year," he said. "The company is ripe and ready to be listed at any time; it's just a question of adding value. We're still getting more contracts."

"I started the business with only three employees, and today we employ more than 1,000," said Syed Azman. "From a company that started with my savings from the armed forces, we now earn millions of dollars in revenue every year. It is not just me alone; everyone in Weststar has a role to play. I am proud to see the company where it is — I'm proud of the name Weststar." ♦

www.weststar.com.my

Though already a mature market, Malaysia remains home to one of our group's largest production bases."

— HISAYUKI ABE
CEO
Toyochem Specialty Chemical



"Our people have stayed, and our customers have been loyal to us for the past 25 years," Abe said. "The anniversary was a

special occasion, and it inspired us to move forward and grow for the near future." ♦

www.toyochem.com.my

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