

MALAYSIA

Tuesday, March 24, 2009

There are few more tangible symbols of Malaysia's regional economic ambitions than its biannual Agriculture, Horticulture, and Agro-tourism Show (MAHA), the largest in the region and a showcase for the latest technologies and innovations in Malaysian agriculture, horticulture and agriculture-related industries.

The thirteen-day event, which is organized under the auspices of the Federal Agricultural Marketing Authority (FAMA), drew 1.2 million visitors at the last edition in 2008, says Agriculture and Agro-Based Industry Minister Mustapha Mohamed.

Held in the Malaysia Agro-Exposition Park, MAHA's booths and paraphernalia covered more than 200 acres of land, supplying the 1,179 exhibitors ample space to showcase their products, which ranged from pens of goats to shiny new tractors, to fresh produce. The Secretariat Building offered over 365,000 square feet of indoor space to participants.

MAHA gives city-dwellers and suburbanites an up-close-and-personal view, and smell, of agricultural life and its industries, but what is really on display is the government's ambition to ex-

The business of growing

Kuala Lumpur is putting into action its ambitious plans to become a regional agricultural economy. Key to making this happen is attracting further foreign investment

pand Malaysian agriculture's scope and attract international investors to its opportunities. Since 2007, the Malaysian government has been working hard to boost exports while at the same time safeguarding vital domestic food supplies. To do this it has embarked on a wide-ranging plan that it hopes will attract the estimated \$1.1 billion in private funding it has set itself as a target to fund projects, at the center of which are tropical fish farming and cattle breeding.

As part of this plan to increase its agricultural muscle, the government has set aside just under 250,000 acres of land to rear shrimp, ornamental fish, and seafood.

Given that agriculture presently accounts for a little less than 10 percent of Malaysia's GDP and constitutes more than 11 percent of its labor force, the government is aware that potential for growth is considerable.

The government wants to set up large-scale livestock operations, while at the same time working to improve profitability across a range of sectors. A key goal is to reduce food imports, which have become an increasing burden on the economy.

Bringing Malaysia online, and in time

Dell puts down roots, committing to a burgeoning hi-tech business center

Computer giant Dell has made a home in Malaysia since 1995, when it first began manufacturing in Penang and introduced its unique direct-sales approach. The largest technology firm in the country, doubling its local share since 2000, Dell in Malaysia goes beyond making and selling computer systems. The Dell Global Business Center (DGBC) was set up in 2007 in Cyberjaya – the high-tech center 30 miles from Kuala Lumpur. Since then the company has broadened its partnership with the Malaysian government and increased its contribution to the country's GDP.

The Cyberjaya center, which



The Dell Global Business Center at Cyberjaya

spans 200,000 square feet and has capacity for 1,800 people, is a sister operation to a Dell center at the company's global headquarters in Round Rock, Texas. Dell's Cyberjaya business center plays an important role in providing worldwide information-technology support and maintenance for one of the world's most IT-intensive operations.

The center employs remote monitoring and resolution, engineering, database and appli-

cations support to help ensure Dell's business, and those of its customers, function smoothly.

Cyberjaya also functions as the corporate headquarters for Dell in Malaysia, home to skilled local sales and marketing functions.

By listening closely to customers in Malaysia, the company is best able to deliver innovative technology and services they trust and value – bringing more and more people into the emerging Connected Era. Also in the pipeline for DGBC is the

Network Operations Center (NOC), a first in Asia.

Dell called the opening of the global business center in Malaysia "a truly momentous occasion for the company and Malaysia," adding that the operation bore testament to "Malaysia recognizing our good and consistent contribution to the nation's infrastructure and building of its skilled workforce."

The company says that its long-term relationship with Malaysia highlights the country as "a regional hub for information and communications technology."

Project directed and coordinated by:

Valentine Charles, Leland Rice, Clementine Condemine, and Vanna Maggi

MALAYSIA

The environmental palm d'or

The health benefits of palm oil are only beginning to become fully apparent, while its emergence as a biofuel may hold the key to reducing carbon emissions

Native to western Africa and thriving in tropical climates globally, the oil palm (*Elaeis guineensis*) has long been a source of nourishment and a valuable export commodity.

Palm oil has been used for centuries in Africa as both a medicine and in cooking. Rich in antioxidants and vitamins A and E, studies have revealed tocotrienols (the vitamin E form present in abundance in palm oil) may have the medicinal properties to reduce cartoid artery blockage, inhibit the spread of certain forms of cancer and impede the formation of tumors. Palm oil contains no trans-fatty acids, which are prevalent in hydrogenated oils and which have been linked with several harmful diseases, increased risk of cancer and higher LDL cholesterol counts. On average, the monounsaturated oleic acid content of palm oil in the Sn2 position is 65 percent, as compared to 80percent in olive oil.

Paraffinic fuel derived from palm oil is being used to power buses in Helsinki in a groundbreaking pilot scheme. Much like ethanol-based fuel production in Brazil, bio-diesel production in Malaysia is not only driving hopes for a definitive answer to the problem of CO₂ emissions – bio-diesel, unlike fossil fuels, is considered carbon-neutral – it is also firing the Malaysian palm oil industry in a way not seen

since the industrial revolution, when palm oil was used a lubricant for machinery.

In 1905, Belgian agricultural engineer Adrien Hallet arrived in Sumatra from the then-Belgian Congo. He was amazed at the speed with which the plant grew - and the quality of its fruit was far superior to its African counterparts. High yields and global demand meant that by 1925 there were 32,000 hectares of cultivated palm forests in Sumatra alone. By 1982, Malaysia had emerged as the world's foremost palm oil producer, accounting for 56percent of a global industry pumping out 2,400,000 tons a year. As the industrial revolution helped shape the world today, the green revolution has assumed significance as companies – and countries – vie to safeguard the future sustainability of our natural resources. At the

forefront in Malaysia is the Malaysian Palm Oil Board (MPOB), which over its four decades of operation has spearheaded all aspects of technology and development of the country's palm oil industry. Among its recent achievements was the 2006 inauguration of the world's first integrated palm bio-diesel plant at Pasir Gudang in Johor State. Unique in its ability to produce summer and winter grade bio-diesel, the plant adheres to all the environmental regulations laid down by international law.

Oil palm trees need soil to flour-



Malaysia accounts for more than half of the world's total palm oil output

ish, however, and in a densely forested nation the temptation to clear primary forest to feed an arboreal cash cow is great, but it is a practice that the MPOB fervently opposes. Indeed, MPOB's research and development arm strives to ensure that all aspects of the palm oil industry are conducted in harmony with environmental concerns, using converted rubber, cocoa and coconut plantations in addition to previously logged forest for new palm oil plantations. Only 20 percent of Malaysia's total land mass is used for agriculture. Oil Palm trees have a lifespan of 25-30 years - a far more sustainable commodity than rapeseed, sunflowers and soya bean, which account for 240 million hectares worldwide.

"MPOB aims to become a premier, Nobel laureate-producing research and development institution providing leadership and serving as a catalyst for a sustainable palm oil industry," explains Mohd Basri Wahid, the MPOB's Director General. "We want our R&D developments to lead to sustainable agriculture that does not jeopardize the environment. We have three core strategies; high income, value-

addition and zero waste. With regards to zero waste, it is all about maximizing the use of palm oil waste and biomass and developing them into wealth for field-mulching and commercial products such as pulp and paper, medium density fibreboard, automobile components and biogas for energy generation."

The MPOB is constantly involved in discussions with NGOs such as the Round Table for Sustainable Palm Oil. The 5th Round Table meeting saw the launch of the RSPO Certification System for Sustainable Palm Oil, which should see the introduction of RSPO certified palm oil on European markets in the first quarter of this year. This may go some way to dispelling concerns about palm oil production abroad.

"Palm oil gets more flak than it deserves," continues Dr. Wahid. "There is the perception that we do not produce palm oil in a sustainable way, when the truth is the complete opposite. The area under primary forest in Malaysia is 59 percent, which is large in comparison with developed countries such as France (28.3 percent), the USA (33.1 percent) and the UK (11.8 percent)".



MOHD BASRI WAHID
Director General,
Malaysia Palm Oil Board

Adventist Hospital's network of care

Malaysia's leading private medical facility has established a reputation over the last 80 years that is helping to put the country on the medical tourism map

Established in 1924, the Penang Adventist Hospital has grown from a tiny clinic, and the first private hospital in Malaysia, into a world-renowned medical facility, treating more than 50,000 patients a year.

The figure is set to grow, given Malaysia's growing reputation as a reliable, and affordable, medical destination.

"Malaysia has tremendous growth capacity in medical tourism," says Teddric J. Mohr, CEO and President of Penang Adventist Hospital.

Mr. Mohr is leading the drive to promote Malaysia as an alternative to the United States, where medical procedures are notoriously expensive.

"The quality of medicine is very good thanks to sound health and safety systems developed by the government, the Ministry of Health and hospitals such as Penang Adventist," he says.

Mr. Mohr oversees one of the oldest and most well known hospitals outside of Kuala Lumpur. Based on American hospital models, Penang Adventist is a non-profit health care facility. It first opened its doors to western medical tourists in the 1930s.

Today, the hospital continues to attract westerners on the basis of its affordability and international reputation, Mr. Mohr says. Evidence of its commit-

ment to western standards is reflected in its certifications.

The hospital has achieved four accreditations: Joint Commission International; Baby-Friendly Hospital Initiative; The Malaysia Society of Health and Quality; and the Adventist Health Services.

With a solid set of credentials, and a state-of-the-art, 275-bed medical facility, the Penang Adventist has had little trouble attracting visitors from around the world. Currently, it belongs to an international group of over 500 hospitals, including the Loma Linda Medical Center in California.

"The benefit of our hospital network is that there is mutual support among the members," said the CEO. "I have visited 12 hospitals in India, Indonesia and the Philippines, and have given them advice completely free of charge, and I can expect the same when I need it."

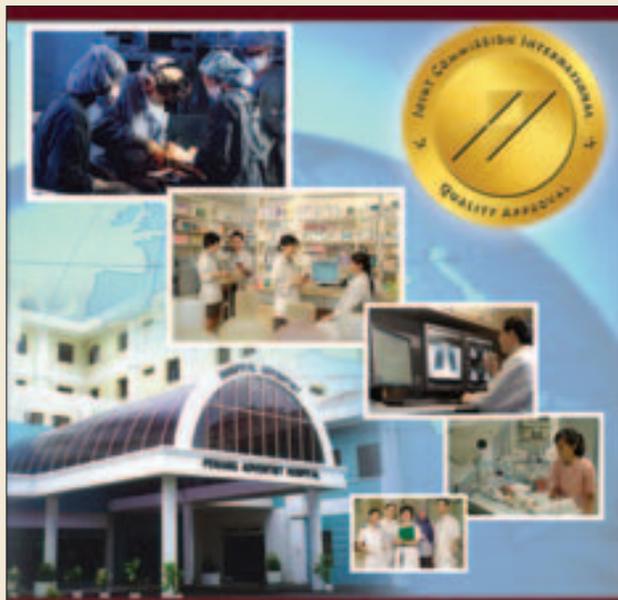
The hospital's international network and well-trained staff have allowed it to take on a challenging role in Malaysian medicine. The hospital lays claim to the first open-heart surgery completed outside of Kuala Lumpur.

The Penang Adventist's international network has helped increase its international exposure, earning the trust of American, Australian and British clients.

"We receive around 1,000 to 2,000 patients from the U.S. a year," says Mr. Mohr. "In the U.S., open-heart surgery ranges from \$35,000 to over \$100,000," he says. "Malaysian prices are a sixth of the cost in the U.S."



TEDDRIC JON MOHR
CEO of Penang Adventist Hospital



Penang
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Our centers of excellence are:-

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- Wellness/Lifestyle Health Assessment
- Elective Diagnostic Imaging Screening
- Oral Maxillary, Implants & Dentistry
- Elective Vascular & General Surgeries
- International Cancer Program
- Orthopedics (Hips & Knee Replacement) & Spine Surgery

Joint Commission International
Meeting International Safety & Quality Healthcare Standards

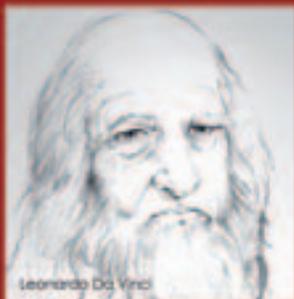
Penang Adventist Hospital (255697-M)
Operated by Adventist Hospital & Clinic Services (M) Bhd. 465, Jalan Burma, 10350 Penang, Malaysia.
Tel: 604-222 7200 Emergency Line: 604-222 7799, Fax: 604-226 3366
Email: AdventistHealth@pah.com.my
Website: www.pah.com.my

Joint Commission INTERNATIONAL

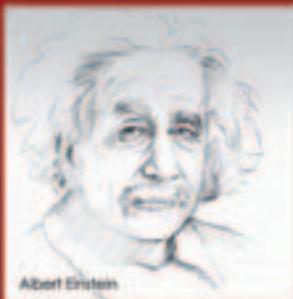
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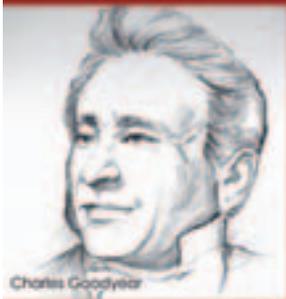
Tunku Abdul Razman



Leonardo Da Vinci



Albert Einstein



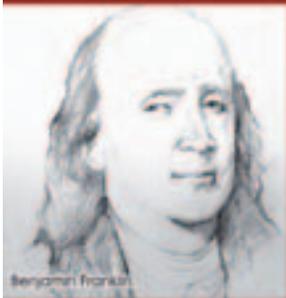
Charles Goodyear



Mahatma Gandhi



Sir Isaac Newton



Benjamin Franklin



Wright Brothers



Michelangelo



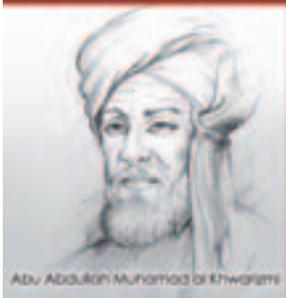
Bi Seng



Sakichi Toyoda



Tan Sri Dr. B.C. Sekhar



Abu Abdullah Muhammad al Khwarizmi



Sir Alexander Fleming



William Wiberforce

Time is the capital of invention.

Visionaries. Pioneers. Inventors. Without capital, they would've been just ordinary men. It takes years, decades, even centuries before meaningful new discoveries are made. Discoveries that change the world for the better. Unlike companies devoted to making the proverbial quick buck, we invest time into our business. The business of finding solutions for humanity. Our achievements have taken years. To date, we have solved the world's main environmental hazard by making used tires a renewable resource; created new technology for biodiesel; built hospitals and schools; sponsored sports, arts and theatre; and set up trust funds around the world to help the underprivileged. Now we are trying to find cures and treatments for HIV infection and cancer. We may succeed. Or we may fail, but we will not stop. That's what extraordinary men like the Wright brothers, William Wiberforce and Tan Sri Dr. B.C. Sekhar went through. They were quests that took a lifetime. In ours, time is essential too. As a life.

MALAYSIA



Operators at Green Rubber's plant feed de-vulcanized tires into a crushing machine that will reduce the material to rubber that can be used in a range of industries

Petra turns a healthy profit from recycling

Kuala Lumpur-based company has made innovation and environmental awareness the cornerstones of its success, and shows no sign of slowing down

Whether recycling car tires, developing new treatments to combat HIV, or planting the seeds for tomorrow's biofuel, Vinod Sekhar's innovative business ventures refuse to be intimidated by the global economic downturn.

"I'm very optimistic about where Malaysia's going," says Mr. Sekhar, CEO of Petra Group, which was set up in 1997. The technology magnate says he will continue to develop innovative products at a time when credit is tight.

Mr. Sekhar says the variety of his subsidiaries operations will help prop up those that struggle during the global slowdown.

With ventures in 'green' rubber, biofuels, financial services, biotechnology, sports and entertainment, Petra Group is one of Malaysia's most innovative companies.

Topping the list of eco-friendly Petra Group companies is Green Rubber, which turns old tires into new rubber through an environmentally friendly process.

Mr. Sekhar believes the countless piles of used tires accumulating around world symbolizes the waste problems of our times.

Mr. Sekhar's father, Dr. B.C. Sekhar, saw the tires as an opportunity. He developed a unique technology to break used tires down and turn them into re-usable rubber.

This can be used for anything from shoe soles to doormats to road asphalt.

After his father's death in 2006, Vinod Sekhar took over Green Rubber and

turned the technology into a thriving international business, drawing investors and shareholders from around the world.

In December of 2008, *The New York Times* reported that former President Bill Clinton gave Green Rubber a boost when he said, "One of the biggest rubber shoes and boots manufacturers, Timberland, is

replacing the soles of its shoes it makes with this man's 'green' rubber technology."

Mr. Sekhar has pushed each of his companies down an aggressive, future-oriented course, challenging company officials to come up with new and profitable products, many of which he wanted to use to help humanity and the planet.



VINOD B. SEKCHAR
Vinod Sekhar, CEO of
Petra Group

Unsurprisingly, the demand for eco-friendly products in places like the United States has been good to Green Rubber and Mr. Sekhar. *Forbes Magazine* lists him as Malaysia's 16th wealthiest person, with an estimated net worth of \$320 million.

An entrepreneur from the get-go, he says he started his first company at the age of 18 and continues to feel proud to lead Malaysian business, even during the downturn.

"I'm convinced that history and this nation will look back on his period as one of the most remarkable periods in Malaysian history," he says.

An unabashed capitalist, who says he "believes in the accumulation of wealth," Mr. Sekhar has turned his do-good projects not only into major profits, but has also used them for philanthropic ends.

"We capitalists have a responsibility to give back to the same society we take from," 40-year-old Mr. Sekhar says. "I feel very strongly that I have to take some responsibility and play a role in improving the quality of life."

Mr. Sekhar established the Sekhar Foundation, a major financial supporter of educational, environmental and charitable causes in Malaysia and the rest of the world.

The group has contributed funding toward scholarships, saving the rainforest and over \$3.3 million to housing for the poor.

With a long-awaited IPO for Green Rubber in the pipeline, Mr. Sekhar says he is patient, and will wait for market conditions to improve. Once public, he says he will continue to devote profits to strengthening Petra Group's investments and to his foundation.

MALAYSIA

MAFC: keeping Malaysia's fruit sector competitive

Food supply chain company plays a key role in helping farmers and distributors to develop key regional and domestic markets

Azizi Meor Ngah has developed his passion for Malaysian fruits into a business that helps farmers and distributors create competitive products.

As CEO of the Malaysian Agri-food Corporation Berhad (MAFC), an integrated food supply chain company, he has the opportunity and responsibility to improve just about every process involved in the production and consumption of agricultural products.

MAFC provides a wide range of services to farmers, distributors and consumers. "We are designed to support Malaysia's agriculture and food supply chain sector through collaborative means, helping ensure that the industry is well-

positioned to succeed in key markets," Mr. Ngah says.

"Nobody in the world can grow papaya like we do. You know why?" he asks, while handing over a fresh slice of papaya. "The secret is in the crossbreeding of pollination, and I am doing it myself."

MAFC conducts marketing surveys and research to see where choice agricultural products, such as the papaya, can be sold at reasonable prices. "Across the food chain, we are trying to create value at every level by working in partnership with industry players," he says.



AZIZI MEOR NGAH
CEO of MAFC

A passionate man, Mr. Ngah takes his business to heart. He says he would love to see Malaysian products take back national shelves as well as expand into international markets.

"At one time, ten years ago, Malaysia was holding about 40 percent of the food reserves in supermarkets in Singapore," he says. "Our market share then was 40 percent. Right now it is about 15 percent. We lost out to China, to Vietnam, and even Indonesia."

He blames bad agricultural practices, such as contamination and packaging, for the fall in market

share. Through MAFC, he is able to introduce distributors to new technologies, more efficient forms of transport and other types of technology that aid farmers and sellers.

In addition to opening access to new technology, the group also provides training.

MAFC helps keep farmers and distributors up to date on what is selling. For example, these days consumers from around the world seek quality, and not necessarily quantity, he says, breaking a long-standing myth.

"In the early days you always said, 'the bigger, the better the fruit,'" Mr. Ngah says, "but if you put it in the supermarket nowadays, they will not necessarily buy it."

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LKIM

LKIM casts its net wide

The objectives of the Fisheries Development Authority of Malaysia (LKIM) are to upgrade the socio-economic status of fishing communities, and to expand the country's fishing industry.

Director General, Dato' Mustafa Hj. Ahmad explains that LKIM's activities include training, upgrading fishing infrastructure, and creating new marketing channels.

The organization works with local communities to improve educational and social facilities.

LKIM has also introduced credit schemes that have allowed rural communities to upgrade boats and equipment. At the same time, funding has been made available

for communities to set up agro-tourism projects.

Several new aquaculture projects have also been set up under its auspices, taking in the production of prawns, seaweed, oyster, and cockles.

Dato' Mustafa Hj. Ahmad has overseen several key initiatives such as the construction of new ports. "These will serve not only to increase production, but provide the means for a range of value-added activities," he explains.



MALAYSIA

FAMA cuts out the middleman for farmers

Agency coordinates the supervision, regulation, and improvement of marketing of agricultural products for domestic consumption and export

The Federal Agriculture Marketing Authority (FAMA) plays a key role in the development of Malaysian agriculture, providing small farms across Malaysia with resources to grow and sell crops in increasingly competitive markets.

Set up in 1965, its core business is helping smallholders market agricultural commodities, says Mohamed Shariff Abdul Aziz, Director General of FAMA.

"FAMA provides an important link between the outside world and rural farms," he says.

The agency coordinates the supervision, regulation, and improvement of the marketing of agricultural products, which include fruits and vegetables for domestic consumption, and export markets.

Mr. Aziz says that along with competitive pricing, FAMA helps rural farmers to get access to fair distribution.

"Farmers are really facing marketing problems, not because they cannot sell their produce locally but more because of the distribution problems," he says. "Most farms are set in very sporadic areas spread across the country."

The number of middlemen involved in the process further complicates getting products from the field to the market place.

FAMA works to reduce many of the middle agents, and to add more value on either end.

"One of the basic problems with

distribution is that it can go through too many hands, perhaps seven to eight stages, from the farmer to a village collector, then to the town or regional center, then to a wholesale market, and on to a secondary wholesale market," Mr. Aziz says. "This can take up to seven stages for the producer, meaning that less than 30 percent of what the end client pays goes to the farmer. Our role is to raise this 30 percent, so instead of being the norm, anything below 30 percent is bad and anything above 30 percent is good."

FAMA also allows farmers to get their products into far-off cities and markets by establishing communal points in local communities where they can sell their harvest.

"We carry out the integration of all the small farmers—we collect the produce and bring it to the consumer centers," Mr. Aziz says. "Our business is in the distribution of produce from the growing areas to the consumption centers."

Along with price management, FAMA oversees quality standards. "We have very price conscious consumers, but they are less aware of the need for quality," says Mr. Aziz. FAMA tries to ensure that certain levels of quality are met, even from imported agricultural products from neighboring countries like Vietnam and Laos.

"We are introducing laws to establish standards similar to those we have to conform to when we export," FAMA's General Director says.

The measures help keep harmful pests and diseases at bay and if a problem arises, they also help officials trace back problems to their source.



**MOHAMED SHARIFF
ABDUL AZIZ**
Director General
of Fama

Experience Malaysia: Top 10 tips

When visiting Malaysia for work or pleasure, be sure to:

1. View Kuala Lumpur's cityscape from the observation deck of the Petronas Twin Towers, the tallest twin structures in the world
2. Visit all or any of the four UNESCO heritage sites: George Town city in Penang; Melaka; Mulu National Park; Sarawak; and Mount Kinabalu National Park, Sabah
3. Play golf - by the sea, in the city, on mountain hilltop or in the setting of the tropical rainforest
4. Explore mystical Borneo's culture, adventure and nature
5. Dive at Sipadan Island, one of the world's top five dive spots

6. Indulge in a spa experience offering Malaysia's speciality in traditional & modern treatments
7. Enjoy the white sandy beaches of the east coast islands, or explore the myths and legends of Langkawi Island, listed as a Geopark island by UNESCO
8. Savor the gastronomic variety of truly Asia's cuisine
9. Shop for everything under the sun at value prices
10. If you have fallen in love with Malaysia, check out our Malaysia: My Second Home program

For more information:

www.tourismmalaysiausa.com
www.tourismmalaysia.gov.my



Innovation and development

The global life sciences industry contributes 30 percent of global GDP and embodies technologies that will heal, clean, fuel, and feed the world. Discoveries in life sciences are driving the emergence of the industry. Biotechnology innovations represent a major investment in Malaysia's economic growth strategy, and a critical component of economic expansion in the 21st century. The \$150 million Malaysian Life Sciences Capital Fund (MLSCF) was created in 2006 to realize Malaysia's potential as a regional biotechnology hub. Managed jointly by the Malaysian Technology Development Corporation and Burrill & Co., it takes a local and global perspective. An educated workforce, political stability, an agricultural economy, multi-ethnic population, and strong regional market relationships are key components in Malaysia's goal to become a fully developed nation by 2020. The government hopes that the biotechnology sector will contribute 5 percent of GDP by then. MLSCF is helping to build this sector. It invests in life sciences—agriculture and food, industrial and healthcare applications of biotechnology—supporting early to mid-stage companies in Malaysia and worldwide. Recent direct investments have been made in oncology, biomanufacturing and advanced biofuels.



GANESH KISHORE
CEO of MLSCF