

Malaysia Page I Technology and reciprocity are the driving forces behind the U.S. -Malaysia Free Trade Agreement



Vietnam Page II Old adversaries are finding common ground in the pursuit of mutual trade and international cooperation



Brunei Page III Companies are focusing on diversification and further integration

with other ASEAN

nations

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THE 12TH ASEAN SUMMIT (The Association of South East Asian Nations) is scheduled to take place from the 11th to the 14th of December of this year, in Cebu in the Philippines. Filipino President Gloria Arroyo has dubbed the Summit "One caring and sharing community", a moniker indicative of the bond the ASEAN nations have with each other and with their regional neighbors. The 12th ASEAN Summit is another

step on the path to attaining an integrated and cooperative community by 2020 that will bridge political and social divides to bring unity and prosperity to one of the world's most culturally and historically endowed regions.

ASEAN was formed in 1967 when representatives of the five founding nations – Indonesia, Malaysia, the Philippines, Singapore and Thailand - signed the Bangkok Declaration with aspirations

Working toward an integrated region

tion that would eventually encompass all of the region's countries. The inaugural ASEAN Summit took place

to create a unified organiza- in Bali in 1976. Brunei became ASEAN's sixth adherent in January 1984, a week after its independence from the U.K. was formally rati-

fied. These six nations would form the nucleus of ASEAN until Vietnam's accession in 1995, with the addition of Laos and Myanmar in 1997 and Cambodia in 1999 completing the formation of the ASEAN-10.

meetings of the ASEAN-10 whereas previously the original six members had met on a tri-annual basis. Formal summits are held over the

course of three days during which time leaders from the ASEAN states host talks involving the three ASEAN Dialogue Partners (China, Japan and South Korea) in addition to the participation of the ASEAN-CER Dialogue Part-It was decided in 2001 that ners. Australia and New Zealand. India and Russia alwould take place annually, so play a part during the conference, when the ASEAN members, the Dialogue Partners and the President of Russia meet and hold talks.

Malaysia

The gateway to opportunity

Malaysia's Multimedia Super Corridor is developing rapidly, linking the country's ICT services to the rest of the world

■ IN the age of global communication, international borders no longer hinder mutual advancement among nations, as the spirit of shared knowledge is embraced. There are few technology companies who do not have a material presence in Malaysia, as demonstrated by the nation's shift from a predominantly agriculture-based economy to its current status as one of the most significant information

and communications technology (ICT) hotbeds in The FTA will the world. With a turn Malaysia GDP of almost \$250 into a key billion in 2005, there investment is also a projected increase of nearly destination in 120,000 employees in **South East Asia** the country's ICT sec-

tor by the end of the decade, a statement of Malaysia's intent to cement its place at the forefront of global ICT activity.

A recent study by the Lausanne Institute for Management Development found that Malaysia is currently more competitive in economic terms than Germany, the U.K., Japan, France and South Korea, and the Free Trade Agreement (FTA) under discussion with the United States is set to raise Malaysia's stock further. Dato' Rafidih Aziz, Minister for International Trade and Industry, says, "This agreement encompasses trade, doing business and being open. We in Malaysia believe in tolerance, respect for others and economic development to bring

tionality." With the preliminary rounds of talks successfully concluded, the atmos-

a high standard of living to all peo-

ple, regardless of religion or na-

phere surrounding the negotiations is one of optimism. Malaysia is the largest trading partner of the U.S. in South East Asia, with \$44

million in bilateral trade during 2005. Estimates suggest that with the FTA in place, U.S. exports to Malaysia could double to almost \$22 billion by 2010, while further augmenting Malaysia's position as a vital component of global supply for many American ICT companies. Furthermore, a successful FTA will widen the gateway to Malaysia's flourish-



Kuala Lumpur's Petronas Towers comprise one end of the MSC.

ing technology sector, as well as to the broader South East Asian region, a market rapidly approaching the \$720 billion mark. The Malaysia External Trade and Development Corporation states, "Investors should consider Malaysia as a base for access to the ASEAN economy. We account for 26 percent of intra-ASEAN trade, therefore we are a reliable and profitable base for foreign companies."

Vince Leusner, President of the American Malaysian Chamber of Commerce, in a statement to mark the beginning of FTA talks, concurred, "The conclusion of the U.S. - Malaysia FTA will create a greater brand awareness of Malaysia abroad, which will help foreign investors to better understand the country. It will also help to turn it into a key investment destination in South East Asia."

IT SECTOR

ICT the key to economic growth

Multimedia companies have found Malaysia to be a perfect host, with Technology Park Malaysia rolling out the welcome mat

■ HAVING enjoyed rapid expansion after the implementation of the National Development Policy in 1990, the Malaysian economy was delivered a crushing blow by the Asian Financial Crisis of 1997. Confounding many financial analysts, Malaysia refused International Monetary Fund (IMF) and World Bank assistance yet recovered swiftly from the crash. In March 2005, the United Nations Conference on Trade and Development identified electronic components exports as the primary cause of Malaysia's economic resurgence. Increased demand in the United States and a worldwide foreboding concerning the possible effects of Y2K on dated components fuelled a universal boom in the sector, of which Malaysia was the chief beneficiary. The decision in 1995 to launch an ambitious project to establish a Multimedia Su-

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DATUK SALLEH CEO Technology Park Malaysia

per Corridor stretching from Kuala Lumpur City Center to Kuala Lumpur International Airport set the precedent for Malaysia's ICT ambitions, and provided the bedrock of what is now a \$250 billion economy.

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The futuristic façade of Technology Park Malaysia, a key component of the flourishing MSC.

ICT the key to economic growth

Continued from page I

The Multimedia Super Corridor (MSC), Malaysia's model of California's Silicon Valley, has since blossomed into a prosperous multinational ICT epicenter, with over 900 international and national multimedia companies based there. This provides Malaysia with the perfect launchpad to realize its vision of becoming the world leader in the knowledge economy by 2020. In effect it will bolster the intent of the country's recently launched five-year 9th Plan under which huge investments, particularly in biotechnology and ICT, will boost growth in the sector to an annual average of 6.7 percent, representing a one percent increase in total GDP. Successful implementation of the MSC has been the catalyst for Malaysia's drive toward a knowledge-based society, and the cornerstone of the country's efforts to take its place

at the head of the global ICT industry in the near future.

Designed to enhance and expand Malaysia's role in the global ICT and knowledge-based industries, Technology Park Malaysia Corporation (TPM) was set up in 1988 as an agency of the Ministry of Science, Technology and the Environment, to foster and develop local high-tech companies. Situated in the very heart of the Multimedia Super Corridor, Technology Park Malaysia is within easy reach of Kuala Lumpur International Airport, Cyberjaya, a cutting-edge purpose-built multimedia city, and the new administrative capital of Putrajaya.

Phase one in the development of the 750-acre site consists of 12 technologically advanced buildings, each performing a specific function and all equipped with the most up-to-date facilities. Additionally, the Enterprise 4 building, an intelligent construction which will house a range of high-

tech tenants, will provide an integrated platform from which the needs of Malaysian - and global - ICT companies can be satisfied. Further planned phases will incorporate research and development facilities for private sector companies to establish offices. Datuk Salleh, CEO of Technology Park Malaysia, says,"We have about 120 companies here at any one time, and when they become successful they move to Cyberjaya, which has about 60,000 acres. Technology Park's main vehicle for the promotion of innovation is the incubator program, whereby small companies come here and we help them to grow. When they become publicly listed, they move to Cyberjaya and the cycle begins again.'

In addition to the Incubator Center, the Innovation House and the Enterprise House are designed for individual entrepreneurs and expanding companies who have outgrown the primary stage. These three integrated tenancy structures form the basis of the techno-entrepreneur program, part of TPM's long-term strategy to promote sustainable economic development well into the 21st century.

BUILDING THE NATION'S FUTURE

Promoting foreign investment in Malaysia

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■ MALAYSIA has changed over the years. Once a manufacturing-based economy with agriculture as its backbone, it is now a technologically advanced region with a knowledge-based economy. The country's 9th Plan sets future priorities on biotech-

nology and education, while the prime minister is looking to make Malaysia a fully industrialized

country by 2020. Furthermore, it is

job is done' becoming an increasingly attractive spot for investment. Its geopolitical position makes it the perfect operational hub for the region, and it offers an educated and affordable workforce. Its multipopulation is ethnic knowledgeable about foreign markets, and Malaysia enjoys political stability and state-ofthe-art technological parks and infrastructures.

A leading organization in promoting the country as a destination for foreign investment is the Malaysian Industrial Development Authority (MIDA). It is a one-stop agency which provides information and "after sales" services to international

companies looking to **'If an investor** invest in Malaysia.

Datuk Karunakarn, General Director of MIDA, comments, "This agency can adapt and change, move and face inter-

national competition. We service clients and investors, but we are not a typical bureaucratic government department. We are facilitators to assist in everything that matters, not regulators.

With ten offices in Malaysia, including its headquarters in Kuala Lumpur, and a further sixteen offices overseas, MIDA is always on hand to assist po-



DATUK KARUNAKARAN Director General MIDA

tential investors to integrate into the Malaysian economy. In 2005, 55 percent of foreign investment in Malaysia was re-investment, evidence of MIDA's continued successful marketing of the country.

"If an American businessman who has never been to this part of the world buys a ticket to Malaysia, 50 percent of my job is done," explains Mr. Karunakaran. "I am sure that once they visit Malaysia, we can convince them to invest. The whole point is to encourage foreign businessmen to come here."



Wietnam

Moving hand-in-hand toward globalization

Vietnam and the U.S. are putting historical differences aside to pool their resources for the mutual benefit of both countries

■ Vietnam and the United States shared a number of political and ideological differences in the twentieth century, and relations between the two nations have historically been less than cordial. However, a period of reconciliation that began in 1994 when the U.S. trade embargo on Vietnam was lifted flowered in 1995 when diplomatic relations between the two countries were re-established. Furthermore, it culminated in an official visit by then-President of the United States, Bill Clinton, in 2000, which coincided with the opening of the Vietnamese Stock Exchange that same year.

Vietnam's economic growth during the 1990s was considerable and a direct result of the introduction, in 1984, of *Doi Moi*, or "Renewal". These were a series of liberal reforms that heralded an end to rationing and ushered in a more open economic outlook, in line with World Trade Organization (WTO) pre-induction guidelines. From 1990 to 1997 annual GDP growth stood at around 8 percent, continuing at 7 percent from 2000 to 2002. Trade between Vietnam and the U.S. rose by 20 percent in 2005 to nearly \$8 billion, aided by a bilateral trade agreement signed in 2000 that saw import tariffs on U.S. goods significantly reduced. Meanwhile, a consumer boom among Vietnam's young urban population and rocketing property prices have helped fuel one Traditional employment remains of the world's fastest growing



President Bush greets PM Phan Van Khai during his July, 2005 visit to the U.S.

Bilateral trade

between

Vietnam and

the U.S.

approached \$8

billion in 2005

economies. The U.S. is now Vietnam's main trading partner.

All of this bodes well for Vietnam's accession to the WTO, following the completion of negotiations with member nations

and the update of Vietnam's intellectual property legislation to meet the WTO's TRIPS (Agreement on Trade-Related Aspects of Intellectual Property Rights) reg-

ulations. The country, upon accession, will become the 151st member of the organization, an achievement that will prospectively be realized before the end



a feature of modern Vietnam.

In anticipation of this historic event, over 200 representatives of Vietnamese companies met in Ho Chi Minh City in August this year to discuss preparations for the forthcoming business

opportunities that WTO membership will present. The focus of the workshop was the APEC COE (Asia Pacific Cooperation and Council of Europe) summit,

which will be held from November 17th - 19th, with the pre-selected theme "Toward one community: Creating new opportunities for shared development."

These developments are important in terms of industry and the economy, but perhaps the most significant long-term ramification of increasing cooperation and understanding between the two countries is the increasing number of tourists visiting Vietnam. Of the estimated 3.5 million annual visitors, a constantly growing number are from America. Vietnamese-Americans are also returning to their ancestral homeland to start businesses, further evidence of the increasing cordiality between the two countries.

ZAMIL STEEL

Global presence, local service

■ FOUNDED in Saudi Arabia in 1977, Zamil Steel Buildings Co. Ltd, together with their initial joint venture partner Soule of the U.S.A., pioneered preengineered steel buildings, an American process using predesigned connections and predetermined stock to design and assemble a range of steel structures. Buildings included factories, workshops and supermarkets as well as exhibition centers, concert halls and aircraft hangars. The speed with which a building can be designed, constructed and installed is inviting for growing economies, and production costs are considerably lower than traditional construction methods.

Nowhere have these attributes been more eagerly seized upon than in Vietnam, a coun-

'We are happy

to share our

to investors'

try enjoying a significant economic upturn spurred by rapid development and industrialization. Spotting the potential for ex-

pansion into South East Asia, Zamil Steel established a representative office in Vietnam in 1993 and began importing pre-engineered steel buildings from Saudi Arabia. After four years of sustained growth and an annual output of over 10,000 tons of steel buildings, Vietnam became one of the largest export countries for Zamil Steel. Zamil Steel Buildings Vietnam Co.(ZSV), a joint venture with Japanese trading giant Mitsui and Co., Ltd was established in 1997 in Hanoi.

"We have brought high quality products to Vietnam," explains George E. Kobrossy, General Director of Zamil Steel



GEORGE E. KOBROSSY General Director of Zamil Steel Vietnam

Buildings Vietnam. "This technology was imported from the U.S., providing us with an optimized system to do the job. We fabricate the complete system, we design and manufacture all components under one

roof, which saves our clients time. We do everything experience and in-house so the provide services quality of our products is guaranteed."

Production on Vietnamese soil began in 1999 at ZSV's 24,000 square meter state-ofthe-art factory, one of the finest facilities in South East Asia with an annual production capacity of 50,000 tons of steel buildings. The completion of the second factory in southern Vietnam in the second quarter of 2007 will increase annual production capacity to the region of 90,000 tons.

Outstanding quality and service coupled with ZSV's considerable market experience, engineering expertise, high production capacity and customer service on the ground has led to a string of awards including

ISO 9001:2000 certification, the Vietnam Economic Times Golden Dragon Prize for best product in 2003, 2004 and 2005 and the Laos National Chamber of Commerce and Industry Golden Award for Excellence and Business Prestige in 2005. "For a Vietnamese company to receive this award in Laos shows the level of appreciation for our work and our contribution to the economy." says Mr. Kobrossy

With 710 employees and 17 offices spanning South East Asia, ZSV is the region's largest single manufacturer in its field, having manufactured and supplied more than 4,000 buildings across South East Asia and more than 40,000 worldwide. The American firm Delta Construction has strong ties with ZSV, and U.S. furniture company Stickley is one of the main global recipients of its products."We have developed good relations with American companies through the U.S. Chamber of Commerce," says Mr. Kobrossy. "I believe American investments will increase as ties between the U.S. and Vietnam become stronger. A vibrant business environment and access to the South East Asian market through Vietnam's ASEAN position show that Vietnam has all the ingredients a foreign investor could hope for. We are happy to share our experience and provide services to investors."



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Brumei



Playing a central role in promoting peace in the region

Economic and political stability and a strategic location in the middle of South East Asia provide Brunei with an excellent foundation upon which to grow

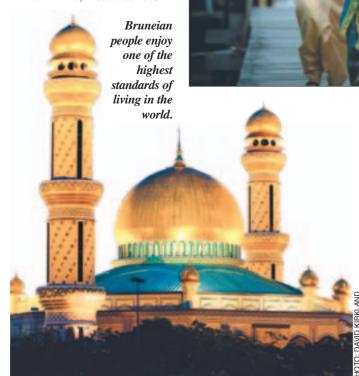
■ Dating back to the 14th century, Brunei is one of the oldest kingdoms in South East Asia. Today, the country is politically and economically stable and enjoys a high standard of living and low levels of unemployment; poverty has been all but eradicated and national infrastructure is world class. Furthermore, it offers free education and health care, and housing for the needy.

For years the nation's economy has been dominated by the oil and gas sectors, being the third largest producer in the region. However, as resources are limited, diversification is on the agenda. Today, small and medium-sized enterprises are growing, the services industry is expanding and the financial sector has strong potential, especially in Islamic banking.

Strategically located in the center of South East Asia, the government is also looking to promote Brunei as a regional hub and transshipment point for trade. Information technology and telecommunications, eco-tourism and human resource development are other fields the government is

hoping to develop further. These attributes, combined with the successful ability to diversify also makes Brunei an attractive place for foreign investors.

Meanwhile, measures recom-



mended by the Brunei Darussalam Economic Council will be implemented as part of efforts to foster sustainable growth. The first goal is to strengthen government finance, the second is to develop and fortify the private sector and the third is to establish a foundation for longterm development.

As a member of the Association of South East Asian Nations (ASEAN) for the last 20 years, Brunei helps the organization promote peace and stability in the region, as the association plays a key role in the nation's foreign policy. As ASEAN has grown, Brunei is dedicated to working toward a major integration while helping to establish a unified community.

ADININ GROUP

Quality, acumen prove key for diversification

■ An example of a success story in Brunei's private sector is Adinin Group, a diversified company and one of the country's principal holdings companies. While today it operates predominantly in the petrol sector, Adinin began twenty years ago by selling paint. It then forayed into painting, maintenance and eventually construction. Musa Adnin, the Managing Director, says, "Construction and fabrication for the oil and gas industry is our bread and butter, but we are continually looking for new ventures while maintaining our core business."

Today Adinin is one of just a few players in the industry and has built up a long-standing relationship with Brunei Shell Petroleum (BSP) and Brunei Liquefied 'We are

Natural (BLNG), who often contract Adinin for many of their projects. One noteworthy venture carried out by the

group was replacing the Main Cryogenic Heat Exchangers (MCHE) at BLNG. This was an important step, as it was the first time MCHE was replaced by a live plant.

Mr. Adnin maintains that his group is successful because it selects strategic joint venture partners, which allows it to operate in niche mar-



MUSA ADNIN Managing Director Adinin Group

kets. Mr. Adnin likewise credits his talented and skilled workforce and emphasizes the importance of never tradingoff on quality. The oil and gas industry has an online bidding process where companies compete for a wide range of

projects. Adinin refuses to compromise its high standards, even if it means a higher bid. This insistence on quality has earned them a winning

reputation within the sector.

continually

looking for new

ventures while

maintaining our

core business'

Still, the company is hoping to expand further and is currently looking at education, software solutions and applications in the IT industry. Potential opportunities likewise exist in the environmental and biotechnology industries, specifically in the environmental waste sector.

BANKING AND FINANCE

Financial sector thrives, **Baiduri Bank sets example**

Brunei is looking to further improve its strong banking sector, expand operations and work with other ASEAN countries

■ Brunei's financial system has remained solid due in large part to the country's strong financial situation, rising oil prices and prudent fiscal management. With low inflation and interest rates and a budget surplus, Brunei enjoys financial stability. Nonetheless, challenges for the sector remain.

The Ministry of Finance maintains that the nation needs to upgrade skill levels and strengthen its technical capacity. Furthermore, Brunei is developing its financial industry to a level where greater cooperation and integration can be facilitated, along with other countries that are part of the Association of South East Asian Nations (ASEAN). Banks



Baiduri Bank: a leader in innovative products.

are encouraged not only to venture into other types of financial services, but also to channel funds toward growing non-traditional industries. The ministry says that banking and finance show very strong potential for Brunei's economic diversification.



PIERRE IMHOF General Manager Baiduri Bank

One of the sector's star players is Baiduri Bank who, since 1994, have evolved into one of Brunei's largest providers of financial services and products. While the bank's initial core business was corporate banking, it eventually ventured into retail banking which allowed it to build up a broad network of ten branches and 19 ATM machines.

The bank has an impressive track record for innovative products. First it boasts a

well-established payment card business with the largest merchant base in the country. It's the first and only bank in Brunei to hold the franchise for American Express, Visa and Master-Card and it was the first to introduce internet, mobile and seven-days-a-week in-store phone banking to accommodate Bruneians' busy lifestyles. The bank has also invested in multi-million dollar software to support expanding service delivery channels.

Baiduri Bank has also received a number of awards including Bank of the Year Brunei from The Banker magazine in 2002, 2003 and 2004. Additionally, its new branding campaign won the Marketing, PR or Brand Management Project category at the Asian Banking Awards in 2005.

GHK GROUP

GHK builds an empire from the ground up

■ What started out as a humble workshop in 1970 has slowly expanded into a small empire, today consisting of an expanded group of companies comprising different businesses. Pehin Goh King Chin, founder of GHK Group, says, "Teamwork and dedication have made us what we are today." Today it is one of the leading motor

Today GHK is vehicle distributors one of the in Brunei. From the start, leading motor GHK developed a vehicle reputation for distributors in

quality in the secall of Brunei tor and became known as a reliable distributor of cars. In 2001 GHK Auto Assembly was established. The Assembly - plus well-trained salesmen, mechanics and maintenance specialists offering post sales services and a state-of-theart workshop for vehicle servicing - allows GHK to ensure that its cars are in top

condition before reaching clients. GHK also owns Mitsubishi, Daihatsu, Chevrolet and Daewoo franchises, and is looking to acquire others.

"I started as a small scale business with only a few cars and did most of the work myself, from paper work to vehicle assembly. My business grew and today GHK has 220

employees and our market share is currently 21 percent," says Pehin Goh. Today GHK is possibly the only diversified motor business in the en-

tire country.

Over time Pehin Goh began expanding his business. He bought MBA, a national insurance company, and he slowly acquired a majority share in the firm. Now he is looking to buy a finance company and dedicate it to providing loans to small businesses. The auto branch



PEHIN GOH KING CHIN **CEO GHK Group**

of the firm is aiming to be a one-stop-shop for its customers, offering services which include assembly, sales, insurance, financing, servicing, repairs, spare parts and trade-ins.

Aside from the fact that Brunei's car industry has been one of the major contributors to the country's economy in the last few years, the group is also dedicated to the community. It plays a major role in two centers, one for mentally disabled children and a second that is a rehabilitation site for troubled youngsters.





