Since it gained independence in 1957, Malaysia has undergone a remarkable transformation from an agricultural economy to a dynamic manufacturing and services-driven economy, a feat that has consolidated its reputation as one of Southeast Asia’s economic powerhouses.

With more than 28 million people, Malaysia’s success is a result of hard work, wisdom, and the resilience of our leadership and our multiethnic, multireligious people.

It is my firm belief that Malaysia is and will remain a beacon of what a nation can achieve by adopting the principles of moderation and cooperation. It is a testament to the truth that diversity—whether cultural, linguistic, or religious—is a strength that advances a nation.

The remarkable evolution of our relationship with Asia is adding a new dimension to our relationship with the United States. President Obama’s visit to Australia, as the fourth-largest economy in Asia, is a critical partner with the United States in achieving that goal. And therein lies the core task for the exciting century that lies before us.

The challenge for this Asia-Pacific century is to preserve the peace in order to build our common prosperity. Through APEC, and now through the East Asia Summit, we have the right forums, with the right mandate and membership, to continue to build security and prosperity in Asia.

An open investment climate, flexible markets, a diverse economy, and effective regulatory systems—these characteristics of our economy served us well. As other economies fell back, Australia was able to stimulate the economy without taking on dangerous levels of national debt.

The key challenge for us both is to realize that goal through constructive, cooperative engagement with a China that remains open to both the region and the world. And this century will be the Asian Century and Australia is well positioned for the opportunities and challenges that this will bring.

By being unafraid of competition, and unafraid to make our own way in Asia, Prime Ministers Hawke and Keating gave our economy strengths that have served us so well in this decade. Their push for open regionalism was exemplified through their economic reforms undertaken by the Hawke and Keating governments in the 1980s: tearing down our tariff walls, opening our economy to international competition, opening us up to Asia.

This strength, in the face of economic turmoil unprecedented for more than seventy years, was not something that came to Australia by chance. It was the legacy of economic reforms undertaken by the Hawke and Keating governments in the 1980s: tearing down our tariff walls, opening our economy to international competition, opening us up to Asia.

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As several countries around the world struggle to jumpstart their economies, Malaysia has impressively shown much resilience and stability the past several years. Led by Prime Minister Najib Tun Razak, the government unveiled in 2010 its National Transformation Programme (NTP), which aims to raise per capita income to about $15,000 and transform the once-agricultural economy into a high-income, knowledge-based one, just like the most mature economies found in Europe and North America.

Just three-years-old, the NTP — made up of the Government Transformation Programme (GTP) and the Economic Transformation Programme (ETP) — has already yielded impressive results. (See the Minister of Trade and Industry’s message on the previous page)

Likewise, the ETP comprises 152 initiatives, divided among twelve National Key Economic Areas, or NKEAs.

Overseeing this comprehensive effort is the Performance Management & Delivery Unit (PEMANDU).

Three key words for us at the moment are: focus, competitiveness, and execution. We are focused on sectors where we can compete robustly and make ourselves more competitive by undertaking fundamental policy reforms to allow business to flourish. Finally, the discipline of execution is what enables this plan to come to fruition,” said Ku Kok Peng, PEMANDU’s director general. The backbone of the NTP is oil and rubber National Key Economic Area (NKEA).

“The National Key Economic Areas are the engines of growth, while EPPs are the spark plugs that will drive the engines to a new level of performance,” added Ku.

Contributing about one-fifth of the national GDP over the past decade, the oil, gas, and energy sector is among the twelve NKEAs selected by the government.

“The rapidly changing energy landscape, we must continue to address the impact of rising fuel costs on subsidies and energy efficiency. This is vital for the viability of Malaysia’s economy. Competitive competitiveness requires efficient energy production and consumption,” said Dato’ Sri Peter Chin Fah Kui, minister of energy, green technology and climate change.

While top-tier foreign universities have set up campuses in Malaysia, established institutions of higher learning are making their unique mark in the education sector.

“The International Islamic University Malaysia (IIUM) has raised its profile in the international community by emphasizing its inclusive and individual nature. While EPPs are the spark plugs that will drive the engines, EPPs tasked to deliver the targets of investments for palm oil and gas hub, and tax incentives added. Meanwhile, information and communications technology (ICT) has kept its preferential status ever since the government established the Multimedia Development Corporation (MDeC) in 1996 to advise the government on policy and legislation and oversee the development of the Malaysian Multimedia Super Corridor, known presently as MSC Malaysia.

MSC Malaysia aims to create an ideal platform to help Malaysian small and medium enterprises (SMEs) in the ICT sector become competitive and attract investment from foreign ICT companies and encouraging them to develop cutting-edge digital and creative solutions.

Since the inception of MSC Malaysia, the ICT sector has become one of the important industries in Malaysia. In 2010, MSC Malaysia’s contribution to the country’s gross domestic product (GDP) stood at $2.41 billion. With the growth of the country’s ICT industry, the contribution to nation’s GDP increased to $3.03 billion in 2011,” said Datuk Badlisham Ghazali, CEO of MDeC.

“MDeC is also looking to position Malaysia as an SSO (single sign-on) destination of choice for vertical sectors such as information and communication technology; banking, financial services, and insurance; energy, chemical, and resources; logistics and transportation; and pharmaceutical and health care,” he also said.

As the NKEAs continue to grow, support industries have also thrived. As Malaysia sees an increase in foreign direct investment, domestic law firms with an expertise in intellectual property have gained more business from multinational companies seeking local business knowledge.

“We provide solutions to clients. We provide value-added services. I must say, there has been a yearly increase in the business that we generate. I think Malaysia has a very conducive environment for investment. We are in a good position to provide a strategic partnership to those prospective clients. We are committed to exploring long-term partnerships,” Wong explained.
MALAYSIA

Century Software: Driving business solutions

A member of the fast-growing censof Group of Companies, censof was set up in 1997 by a former government accountant who saw an opportunity to improve accountancy via innovative technology. “My partners and I decided to develop a financial management system that specifically catered to the government as a way to create a niche market. We are now only starting to look at other markets. We know that we are capable of competing with anyone globally,” explained group managing director Datuk Samsul Husin.

Through the years, censof has had success with several landmark projects of the Malaysian government. Currently, censof is working with the ministry of finance on the Outcome-Based Budgeting (OBB) project, which involves twenty-seven government ministries. The OBB project streamlines planning and performance monitoring, and comes with a result framework and a budget portal. censof is also participating in the development of the Malaysian Social Security System’s core system. “We are part of the e-RAS (Electronic Revenue Accounting System) project with the Inland Revenue Board of Malaysia. We are very proud of this project. The Web-based payment system reduced total processing time for payments from more than a month to just a few days,” said Samsul.

Following a successful IPO in 2011, censof is looking for opportunities to expand overseas. It now has offices in Atlanta, Sydney, and Jakarta. censof has shown huge interest in developing its business in the United States, where it worked on analytic reporting for organizations such as the New York Times. “In terms of our products, we have our own, which are technically on par with any other product in the world. Our solutions provide value for money compared to other products in the market. We own these products, which gives us the flexibility required to specifically help our clients in reducing their costs and improving their efficiency,” he said.

PENANG: Hub of SEA cruise destinations

Fondly called the Pearl of the Orient, the island of Penang is located on the northwest coast of peninsular Malaysia by the Strait of Malacca, the main shipping channel that has linked Europe and Asia since the spice trade centuries ago.

That history gave Penang a unique heritage and culture that fused East and West. The capital, George Town, boasts a large number of well-preserved colonial-era buildings, for which it was given World Heritage status by UNESCO.

Penang is connected to an integrated network of cruise destinations via Swettenham Pier Cruise Terminal (SPCT), which is the only entry point for tourists arriving on the island by cruise ship. The 400-meter long, T-shaped terminal and two 80-meter inner berths can accommodate some of the world’s largest vessels. Ships and cruise lines that have docked in SPCT include Star Cruises, Royal Caribbean International, Aida, Seabourn, P&O, Princess, Silversea, Costa Crociere, Cunard, RMS Queen Mary, and Queen Elizabeth 2.

Located within George Town, SPCT is a port city that provides passengers with easily available ways to explore Penang: bicycles, trishaws, taxis, and executive coaches. Visitors can also explore the city on foot, as many sites are found nearby.

In charge of managing SPCT, the Penang Port Commission has plans to further expand the facilities and promote the island in key markets such as Miami, Barcelona, Istanbul, Singapore, and Hong Kong. The Penang Port Commission is also seeking partners in Asia, Europe, and the United States to develop the island as the best cruise hub in Malaysia and a top cruise destination.

The Swettenham Pier Cruise Terminal in Penang
“We are the keeper of the light for everybody in peninsular Malaysia, whether it’s commercial or domestic consumers, be they in rural or urban areas,” emphasized Datuk Seri Ir. Azman Mohd, president and CEO of Tenaga Nasional Berhad (TNB), the largest electricity company in Malaysia and a leading utility entity in Asia.

Since its inception, TNB has enabled Malaysia to transform itself into the economic powerhouse that it is today. Tracing its origins to the establishment of the government-run Central Electricity Board in 1949, TNB was later privatized and publicly listed in 1990.

Since then, the company has expanded operations and accumulated assets currently estimated at $29 billion dollars.

As much as it has provided a stable return to its investors, TNB has stayed focused on supplying Malaysians with a reliable source of energy. In fact, the company takes pride in lighting up 99.9 percent of peninsular Malaysia.

With 33,500 employees and around 8.3 million customers, TNB has received a string of prestigious accolades for its service and performances, both domestically and abroad.

Operating mainly in power generation, transmission, and distribution, TNB is present in Saudi Arabia, Kuwait, Pakistan, Indonesia, and East Asia.

In addition, TNB is also actively expanding into other emerging markets, with a focus on the Asia Pacific, the Middle East, and North Africa.

“We are right now in the geographical expansion phase. In fact, a new division was established specifically to focus on investments outside of Malaysia,” said Azman Mohd.

The new division — New Business & Major Projects — serves to coordinate and manage all new business development in order to achieve its goal of deriving about $1.6 billion from non-regulated business in three years’ time.

The target is clear: at least 20 percent from TNB’s overall revenues in 2015 will be generated from its overseas ventures.

Propelling the growth of the conglom-

As a result of the concerted efforts of all the subsidiaries, in 2012, TNB hit its fiscal year target of drawing in about $735 million from its non-regulated income stream, with group-wide revenue reaching $11.43 billion.

Aside from the six thermal stations and three hydroelectric plants in the country, TNB manages and operates Malaysia’s national grid, and through that system, also maintains interconnection to neighboring Thailand and Singapore.

The six thermal power stations comprise coal, conventional gas- and oil-fired plants, and open and combined cycle gas turbine plants.

The generation arm of TNB has a total installed capacity of 9,041 MW, with 80.6 percent coming from the thermal plants.

Though most of its plants are presently gas-fired, TNB has intensified efforts to reduce its greenhouse gas emissions by adopting the latest technology and implementing best industry practices.

The Manjung 4 coal-fired power plant, for example, is expected to be the first ultra-supercritical power plant in Southeast Asia when it is commissioned in 2015.

As part of a twenty-year strategy to become one of the world’s largest power companies by 2025, TNB has also committed itself to implementing green initiatives and developing renewable sources of energy, which complements Malaysia’s target of lowering overall carbon emission by 40 percent by 2020, in line with most of the mature economies in Europe.

“In our electricity bill, 1 percent of it actually contributes to a fund that subsidizes the premiums for the green developers. We also have a subsidiary that deals exclusively in renewable energy,” explained Azman Mohd.

As the leading utility company in Malaysia, and with more than sixty years of experience, TNB has attracted much interest from potential foreign investors.

Determined to grow regionally, the company has expressed openness to form partnerships with international groups.

“We are looking for Engineering, Procurement and Construction (EPC) partners, and so we are inviting, among others, U.S. players who can provide the best resources and technology, so that we can grow together,” said Azman Mohd, who added that TNB’s business relationship with the United States is best represented by its long-term ties with GE.

“Technology-wise, we are always looking for better technologies and more efficient ways of operating. As a vertically integrated utility, there is a whole stretch of opportunity for collaboration. This is apparent in our ongoing and strong collaboration with Siemens AG for the latest gas turbine technology,” he added.

As the government tries to attract more foreign investment, TNB is consolidating Malaysia’s competitive advantage by supplying affordable and reliable supply of electricity.

And with the implementation of several government measures, the country’s power industry has become even more competitive and environmentally sustainable than those of its Southeast Asian neighbors.

“There is a symbiotic relationship between TNB and the country. So, in tandem with Malaysia’s GDP growth, we’ve actually increased revenue,” Azman Mohd said.

“In terms of profitability, last year was one of our strongest years, largely due to the decrease in fuel costs. In terms of performance, we continue to enhance and focus our maintenance program on preventive maintenance instead of corrective maintenance,” he added.

Kuala Lumpur, the nation’s capital, is resplendent at night.

With the steady recovery of the global economy that fuels the power demand growth, the outlook for the utility giant is nothing but rosy.