

MATRADE – MABOPA CONSULTATION SESSION

18 AUGUST 2008

**MALAYSIA EXTERNAL TRADE DEVELOPMENT
CORPORATION**



ABOUT MATRADE

- ▶ The **national** export promotion agency under Ministry of International Trade & Industry (MITI)

VISION

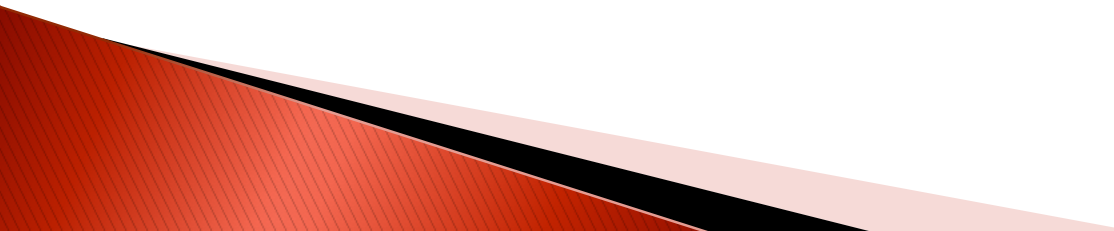
*POSITIONING MALAYSIA AS A
GLOBALLY COMPETITIVE TRADING
NATION*

MISSION

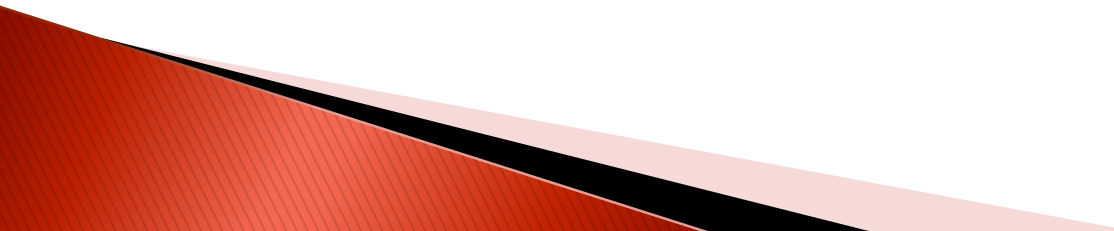
*PROMOTING MALAYSIA'S ENTERPRISES
TO THE WORLD*



FUNCTIONS OF MATRADE

- Promote, assist and develop Malaysia's external trade with particular emphasis on the export of manufactured and semi manufactured products and services.
 - Formulate and implement export marketing strategies and trade promotion activities to promote Malaysia's exports.
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Cont.

- ▶ Undertake commercial intelligence and market research and create a comprehensive database of information for the improvement and development of Malaysia's trade.
 - Organise training programmes to improve the international marketing skills of Malaysian exporters.
 - Enhance and protect Malaysia's international trade interest abroad.
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MATRADE'S OVERVIEW



SUMMARY OF MATRADE'S INTERNATIONAL & DOMESTIC TRADE OFFICES BY REGION

OFFICE OVERSEAS

North America	4
Latin America	3
Western Europe	5
Eastern Europe	2
Africa	3
Asia	17
West Asia	2
North East Asia	8
ASEAN	5
Australasia	1
South Asia	1

DOMESTIC & REGIONAL BRANCH OFFICES

Southern Regional Office
Northern Regional Office
Eastern Regional Office
Sabah Branch
Sarawak Branch

MATRADE CORE ACTIVITIES & SERVICES



Export Promotion
Activities

Exporter's
Development

Trade Advisory &
Support

Trade & Market
Information

EXPORT PROMOTION ACTIVITIES





MATRADE Trade Centre (MTC)

- Dubai, UAE
- Johannesburg, South Africa
- Rotterdam, The Netherlands

**Malaysia Export Exhibition
Centre (MEEC) , Kuala
Lumpur**



EXPORTERS DEVELOPMENT



TRADE & MARKET INFORMATIONS

- **Deliverables**

- Market Trends
- Market Information's
- Market Alerts
- Trade Statistics
- Trade Leads
- Tender Opportunities
- Trade Regulations & Procedures
- Market Entry Requirements
- International Country Standards
- Consumer Preferences
- Distribution & Logistics

- **Modes Of Delivery**

- Emails
- Online News
- MATRADE's Portal
- Directories & Publications
 - Hardcopy &
 - E- Publications
- Guide Books
- Press Release
- Databases
- Business Library



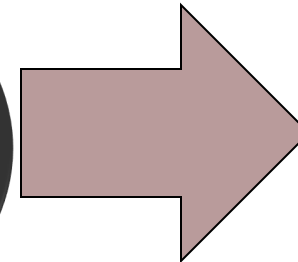
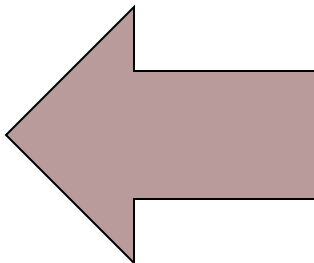
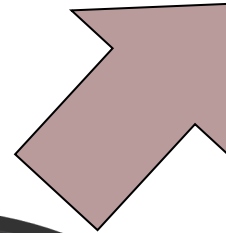
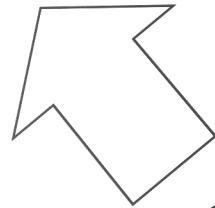
TRADE ADVISORY & SUPPORT

**Briefing & Business
Consultation
Sessions
Nationwide**

**Trade Advisory
Services – HQ,
Branch, Oversea**

**Business
Information
Centre, KLIA**

Help Desk



MALAYSIA'S SERVICES SECTOR

- ❖ The services sector continues to be a major contributor to the economy (2007 GDP registered at 7.3%). Services sector expanded by 9.1% from 2006 to 2007.
- ❖ The Third Industrial Master Plan (IMP3), 2006-2020, has focused on the non-Government services sector to assume a major role in economic growth, with a targeted average annual growth rate of 7.5 per cent and contribution of the sector to GDP to increase to 59.7 per cent in 2020.

MALAYSIA'S SERVICES SECTOR

- ❖ **Eight services sub-sectors have been targeted for further development and promotion:**
 - business and professional services;
 - distributive trade services;
 - construction services;
 - education and training services;
 - health services;
 - tourism services;
 - integrated logistics; and
 - information and communication technology (ICT) services.

- ❖ **In 2006, the Malaysian Services Development Council was established to undertake the coordinating and monitoring role, to ensure that the developmental, promotional and regulatory aspects of services are consistent with the strategic thrusts of the IMP3.**

SERVICES EXPORTED

- ▶ Construction
- ▶ Education
- ▶ Healthcare Services
- ▶ ICT Services – Software
- ▶ Oil & Gas
- ▶ Engineering Services
- ▶ Franchise Services
- ▶ Architectural Services

CONSTRUCTION SERVICES

- ❖ **From 1986 to December 2007, Malaysian contractors had secured 429 projects in 42 countries worth RM 171.40 billion, of which:-**
 - 333 projects were completed, valued at RM22.98 billion; and
 - 96 projects are ongoing, valued at RM148.43 billion.

- ❖ **Top TEN countries where Malaysia had secured construction projects were:**
 - Saudi Arabia (8 projects; RM 22.42 billion)
 - India (72 projects ; RM 15.36 billion)
 - United Arab Emirates (32 projects; RM9.75 billion)
 - Republic of China (33 projects; RM3.80 billion)
 - Qatar (7 projects; RM3.25 billion)
 - Kingdom of Bahrain (9 projects; RM2.85 billion)
 - Sudan (16 projects; RM2.79 billion)
 - Laos (1 projects; RM2.09 billion)
 - Thailand (27 projects; RM1.99 billion)
 - South Africa (3 projects; RM1.82 billion)

CONSTRUCTION SERVICES

❖ Projects secured in these countries include:-

- Buildings;
- Roads and highways;
- Railways and bridges;
- Oil & gas;
- Water treatment and power plants;
- Residential;
- Airports; and
- Mixed development projects including housing, hotels, leisure and luxury residences.

Source: Construction Industry Development Board (CIDB)

EDUCATION SERVICES

- ❖ Malaysia's international education sector has grown tremendously during the past decade. This is towards the objective of Malaysia becoming a centre of educational excellence in the region and achieving the benchmark of 100,000 foreign students by year 2010.
- ❖ No. of institutions:-
 - 20 public universities
 - 524 private colleges and institutes of higher education
 - University Status (Main Campus) – 17 institutions
 - University College Status – 16 institutions
 - University Status (Branch Campus of Foreign Universities) – 4 institutions
 - Non-University Status – 487 institutions

EDUCATION SERVICES

❖ **Malaysian higher education institutions which have branch campuses overseas include:-**

- LimKokWing University (Botswana, the UK, China and Indonesia);
- INTI College (China);
- APIIT College (Sri Lanka, Pakistan and India); and
- University College Sedaya International UCSI (New Zealand And Bangladesh)

Source: Ministry of Higher Education (MOHE)

EDUCATION SERVICES

❖ Profile of foreign students:

Total foreign students (up to 31 December 2007)

➤ 46,530 students from 150 countries

- 12,926 students studying at public universities
- 33,604 students studying at private colleges and institutes of higher learning

Majority of foreign students were from:

- Indonesia – 17.6 per cent
- China – 12.9 per cent
- Iran – 6.7 per cent
- Nigeria – 6.0 per cent
- Bangladesh – 5.3 per cent
- Yemen – 3.4 per cent
- Botswana – 3.2 per cent

HEALTHCARE SERVICES

- ❖ In 2007, the total number of foreign patients that sought treatment in Malaysian private hospitals was 341,288 which generated revenue of RM253.8 million.
- ❖ 78 per cent of these patients were from Indonesia, while the other 22 per cent were from the following countries:
 - Japan (3.3 per cent)
 - Europe (2.7 per cent)
 - India (1.8 per cent)
 - China (1.5 per cent)
 - USA (1.2 per cent)
 - Singapore (1.1 per cent)
 - Australia (1.1 per cent)
 - Republic of Korea (0.8 per cent)

HEALTHCARE SERVICES

- ❖ **Among the reasons for choosing Malaysia to seek healthcare treatment are:**
 - English speaking medical staff;
 - Favourable exchange rate;
 - Affordable hospitalisation cost;
 - Highly trained medical specialists;
 - Multi-ethnic and multi-lingual support staff from various racial denominations;
 - State-of-the-art medical technology; and
 - Friendly culture.
- ❖ **Malaysia aims to earn RM2.2 billion from exports of health services by 2020.**
- ❖ **KPJ Healthcare Berhad has operations in Indonesia and Bangladesh.**

Source: Association of Private Hospitals of Malaysia (APHM)

ICT SERVICES - SOFTWARE

- ❖ As at Nov. 2007, a total of 1,947 companies have been granted MSC-status of which 1,447 companies are owned by Malaysians, 450 foreign owned and 50 companies are joint ventures.
- ❖ Out of the 1,947 companies, 1,548 are operational. They are clustered as follows:
 - Application Software (AS) - 699 companies;
 - Mobility, embedded Software & Hardware (Mesh) – 330 companies;
 - Shared Services Outsourcing – 116 companies;
 - Creative Multimedia – 157 companies;
 - Internet Based Business – 168 companies; and
 - Institution of Higher Learning & Incubators – 76 companies.

ICT SERVICES - SOFTWARE

❖ ICT services offered by Malaysian companies in areas such as:

- mobile and wireless communication;
- business application software development;
- digital content development;
- internet-based business applications in the financial sector;
- shared services and outsourcing (SSO);
- e-Commerce for networking and on-line transaction;
- bio-informatics;
- infra and info-structure; and
- e-Government.

Source: Multimedia Development Corporation (MDeC)

ICT SERVICES - SOFTWARE

❖ Oversea ICT Projects Undertaken by MSPs:

- Development of wireless solution software for seamless roaming network infrastructure, in Bahrain.
- Development of Enterprise Public Key Infrastructure Security Solution, Managed Security Services Solutions, Security Consultancy & Maintenance Services in Saudin Arabia & UAE
- Development of the Soekarno Hatta International Airport Flight Information System, Indonesia
- Gate Management System & Flight Information Display System at Logan International Airport, USA

Source: Multimedia Development Corporation (MDeC)

ICT SERVICES - SOFTWARE

- Digital learning content & edu-tourism at Dubai Skills Centre
- Supply and implementation of its MiBS Islamic Banking and Investment System.

Source: Multimedia Development Corporation (MDeC)

OIL & GAS SERVICES

❖ **Malaysian companies are already exporting their services in this sector in such areas as:**

- engineering & fabrication;
- infrastructure development;
- environment management;
- logistics; and
- pre-commissioning, commissioning, and de-commissioning.

❖ **Overseas Projects Secured :**

- International engineering, procurement, installation and commissioning (EPIC) contract in Brunei
- Yoho Development project for SAIPEM South Africa
- Fabrication of Wellhead cum Water Injection platform in India

Source: Malaysian Oil & Gas Services Council (MOGSC)



OIL & GAS SERVICES

- Integrated services in Drilling Fluids and Drilling-Waste Management in Turkmenistan & Venezuela

Source: Malaysian Oil & Gas Services Council (MOGSC)

ENGINEERING SERVICES

- ❖ **As at 31 December 2007, Board of Engineers Malaysia (BEM) registered 57,329 engineers, comprising 13,402 professional engineers (22.75%) and 44,287 graduate engineers.**
- ❖ **Among Foreign Projects with involvement of Malaysian Engineering companies**
 - Kaohsiung Mass Rapid Transit, Taiwan
 - New Doha International Airport, Qatar
 - Burj Al Arab, Dubai, UAE
 - Ski Dom, Dubai, UAE
 - Emirates Tower, UAE
 - Qatar Science and Technology Park, Qatar
 - Khalifa Olympic Stadium, Doha, Qatar
 - Meyden Racecourse Dubai, UAE
 - Bahrain F1 Circuit

FRANCHISE SERVICES

- ❖ Currently there are 305 franchise systems in Malaysia of which 193 are homegrown while 112 are foreign franchise systems.
- ❖ Malaysian franchises with established international operations include education, fashion, footwear, handbags, food and beverages, hotels, eye care, beauty and healthcare and travel services.

FRANCHISE SERVICES

❖ **Some of the Malaysian franchisors which have ventured abroad include:-**

- Marrybrown Fried Chicken (China, India, Sri Lanka, Dubai, Bahrain, Saudi Arabia and Azerbaijan);
- Secret Recipe (Singapore, Indonesia, Thailand, China, and the Philippines);
- Nelson's (Sweden, England, and China);
- Smart Reader (Thailand, the Philippines, and Syria); and
- D'Tandoor (Australia and New Zealand).

Source: Malaysian Franchise Association (MFA)



ARCHITECTURAL SERVICES

❖ Among the landmark projects that were designed by Malaysian architects are the:-

- Meyden Racecourse Grandstand and the Dubai Islamic Bank in United Arab Emirates;
- New National Library in Singapore
- Grand Egyptian Museum in Cairo; and
- Hyatt Regency in Yemen
- Burj Al Alam- Dubai Tallest residential Tower (TAK)
- Island City of Al Reem in Abu Dhabi (GDP Architect)
- Master Planning of 2nd & 3rd palm at Jebel Ali and Deira, UAE (TAK)
- Mother Theresa International Airport, Albanis (joint collaboration between Hin Tan Architect and Airport Consultant, Hochtief Airport GMBH)

POTENTIAL SERVICES SUB SECTORS FOR EXPORT

❖ Professional Services

- Legal services
- Accounting, auditing and bookkeeping services
- Taxation services
- Integrated engineering services
- Urban Planning and landscape architectural services

❖ Management Consulting Services

- Financial management consulting services
- Human resources management consulting services
- Other management consulting services

❖ Health Related Services

- Nursing
- Spa and wellness programmed

SERVICES EXPORT FUND

SERVICES EXPORT FUND

- ❖ Under the RMK-9, the Government has allocated to MITI, RM145.8 million for the establishment of an Export Services Fund as an incentive to encourage and assist Malaysian professional service providers to export their services and successfully compete internationally.

- ❖ The Services Export Fund (SEF) is a scheme to provide assistance in the form of reimbursable grants, to Malaysian Service Providers (MSPs) for undertaking activities to venture into the international market through:
 - Tendering or negotiating for international projects;
 - Conducting pre-feasibility or feasibility studies; and
 - Export promotion activities.

SERVICES EXPORT FUND

❖ This initiative is aimed at:

- Expanding the exports of services by increasing visibility and awareness of the expertise of MSPs in the global market;
- Branding of the Malaysian professional services industry as internationally competitive, competent and reliable; and
- Gathering market intelligence through feasibility and other related studies which will assist Malaysian companies secure overseas projects.

SERVICES EXPORT FUND

- ❖ There are 4 types of grants available for Malaysian Service Providers under the Services Export Fund which are:
 1. Grant for Participating in Tenders to Undertake Studies.
 2. Grant for Participating in Tenders for Projects, or Preparing Negotiated Project Proposals, for “Design”, “Design-Build”, “Design Build-Operate” and Design-Build-Operate-Maintain” projects.

SERVICES EXPORT FUND

3. Grant to Undertake Pre-Feasibility and/or Feasibility Studies for :

- Foreign governments and their agencies;
- Owners of projects, endorsed by foreign government;
- International funding institutions such as the Islamic Development Bank, World Bank, Asian Development Bank, to benefit a third party; or
- Global institutions like the United Nations and their agencies, World Health Organization, International Red Cross and Red Crescent, to benefit a third party.

4. Grant for Export Promotion Activities

- Under this grant, MSPs can obtain a 50% reimbursable grant on the approved cost of the eligible activities.

SERVICES EXPORT FUND

ELIGIBLE ACTIVITIES

- i. Participation in International Trade Fairs.
- ii. Participation in Trade and Investment Missions and Specialised Marketing Missions.
- iii. Participation in Industry Related International Conferences Overseas.
- iv. Participation in meetings related to negotiations on Mutual Recognition Agreement (MRA), Free Trade Agreement (FTA), ASEAN, World Trade Organization (WTO) and other market access negotiations by representatives of Trade and Industry Associations and Professional Bodies.

SERVICES EXPORT FUND

ELIGIBLE ACTIVITIES (*continue*)

- v. Preparation of Promotional Materials.
- vi. Initial Cost of Setting up Office Overseas, for the purpose of:
 - undertaking activities for promotion of Malaysian products and services;
 - seeking opportunity for outsourcing and subcontracting business;
 - to undertake research on the market; and
 - to undertake and monitor implementation of projects and contracts.

PROMOTION PROGRAMMES FOR 2008

- ▶ Malaysia Services Exhibition, Sharjah, UAE. 13 – 15 January, 2008
(11 services sector)
- ▶ CeBIT, Hannover, Germany. 4 – 8 March, 2008 (ICT)
- ▶ Asiahealthcare 2008, Kuala Lumpur, 10–12 March 2008
- ▶ India Franchise Expo, New Delhi, India. 10 – 12 March, 2008
(Franchise)
- ▶ Architect 2008, Bangkok, Thailand. 29 April – 04 May, 2008
- ▶ ICT Indonesia, Jakarta, Indonesia. 21 – 24 May, 2008 (ICT)
- ▶ SMM on Construction & Related Services to UAE & Qatar, 24 – 30 May 2008
- ▶ Designbuild Australasia, Melbourne, Australia. 15 – 18 June 2008

PROMOTION PROGRAMMES FOR 2008

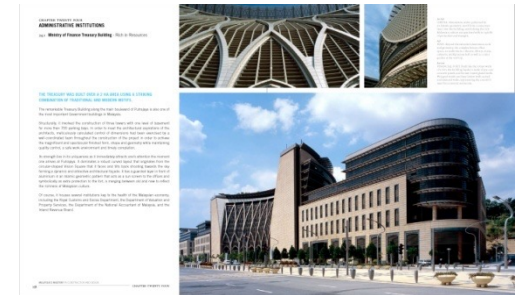
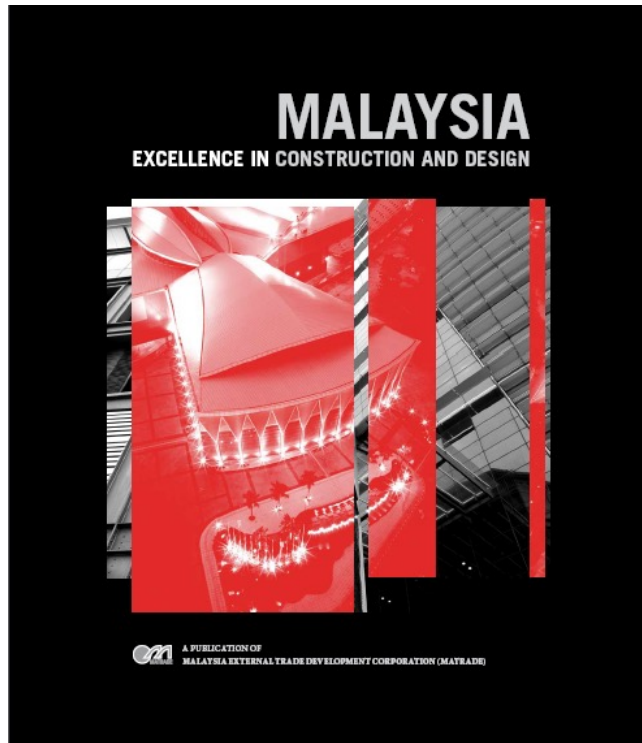
- ▶ SMM Healthcare & Related Services to Indonesia, 7–9 July 2008 (Healthcare & related services)
- ▶ SMM on Construction & Related Services to Tripoli, Libya 10–17 October 2008
- ▶ Specialised Marketing Mission on ICT, Beijing & Shanghai, China. 19 – 25 October, 2008 (ICT)
- ▶ Korea Student Fair, Seoul, Korea. 14 – 15 October, 2008 (Education)
- ▶ Frankfurt International Book Fair, Frankfurt, Germany. 15 – 19 October 2008 (Printing & Publishing)
- ▶ Specialised Marketing Mission on Healthcare Services to Vietnam and Cambodia, 21 – 25 October 2008 (Healthcare
- ▶ Arab Oil & Gas Show 2008, Dubai, UAE. 28 – 30 October, 2008

OTHER INITIATIVES :

- Publishing of the “Malaysia: Excellence In Construction & Design”
- Dissemination of the Services Sector Bulletin (*Monthly release*)
- Circulation of International Tender Notices
- Incoming Buyers Visits
- Publishing of the Malaysia Services Directory (*in progress*)
- Export Excellence Award On Services

OTHER INITIATIVES :

- Construction and Professional Services Branding : Malaysia – Excellence in Construction and Design



OTHER INITIATIVES :

- Services Sector Bulletin (*Monthly release*)

Early Release for Internal Circulation Only
(For any amendments, please inform Services Section)



Issue No. 1/2007 - 4 June 2007

INAUGURAL LAUNCH OF SERVICES SECTOR BULLETIN

As Malaysia continues to realize its vision of being a developed nation by 2020, increasing attention is given to further develop its services sector, as outlined in both the Ninth Malaysia Plan and the Third Industrial Master Plan. This sector is forecasted to grow at a rate of 7.5 per cent over the next 15 years, to reach 59.7 per cent of GDP by 2020.

Often one of the challenges faced by the business community is securing timely and relevant market information on business opportunities worldwide. To address this need, MATRADE is now launching the **Services Sector Bulletin**, which will be sent out electronically once a month to Malaysian services providers, services associations and relevant agencies. The Bulletin will cover different aspects of the multi-faceted services sector, such as information on upcoming projects, new regulations pertaining to services, incoming sourcing mission, trade outgoing missions, exhibitions and conferences organized specifically for services sector.

BRANDING OF MALAYSIAN SERVICES

Malaysia Services Exhibition

168 Malaysian services providers participated in MSE 2008 in the following sectors:

- Construction
- Engineering, Technology and Innovation
- Financial Services
- Franchise
- Healthcare and Hospital Related Services
- ICT Services
- Logistic and Transportation
- Oil & Gas
- Energy & Power Generation
- Professional Services
- Education & Specialised Training

OFFICIAL OPENING



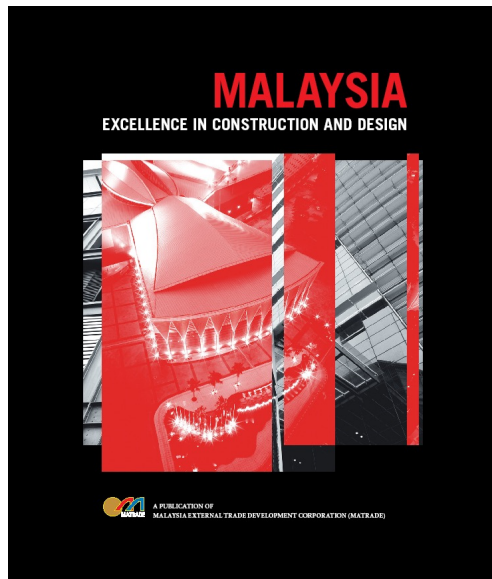
← Ribbon cutting ceremony

Guests during the opening ceremony →



LAUNCHING OF MATRADE'S PUBLICATION

“Malaysia – Excellence in Construction and Design”



H.H THE CROWN PRINCE TOUR OF THE EXHIBITION

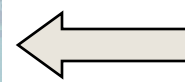


← Tour of the Healthcare & Hospital Related Services Cluster

Tour of the Engineering, Technology & Innovation Cluster →

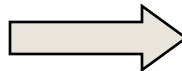


CONCURRENT EVENTS

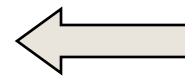
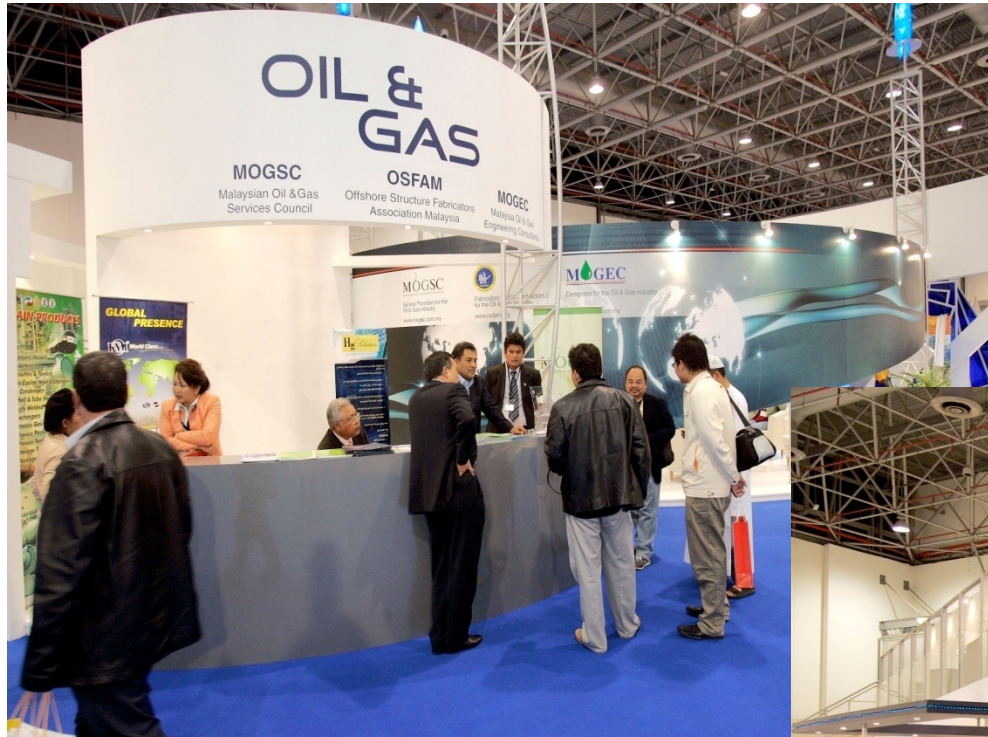


Malaysia Services Forum

Memoranda of Agreement Signing Ceremony

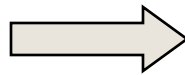


TRADE VISITORS



Visitors at the Oil & Gas Cluster

Visitors at the Malaysia Information Centre



PROJECTS IDENTIFIED :

Projects Secured at MSE 2008

▶ Engineering Services

- Manufacturing of Desanders for foundation and drilling works in Doha, Dubai & Abu Dhabi.

▶ Franchise

- Franchising of Beaubelle skin & body care in Lebanon and opening of day spa in Cairo, Egypt
- New master franchisee in Azerbaijan

PROJECTS IDENTIFIED (*cont.*)

Some Projects Currently Being Pursued

- ▶ **ICT**
 - Tender bid for installation of airport operation and crisis center system at Dubai Airport
 - Tender for the installation flight information display system for India
- ▶ **Franchise**
 - To secure location/business premises with master franchisee in Romania
- ▶ **Logistic Services**
 - Shipment services from South East Asia to UAE
 - Shipment services of Steel Wire rope and steel pile from Pasir Gudang to Jebel
 - Charter barge service from Batam to Thailand worth
- ▶ **Construction**
 - Construction services in UAE and gulf countries

THANK YOU

