

SPECIAL ADVERTISING SECTION

ASEAN INVESTMENT SERIES

# Malaysia

One country's path to progress

# Rising

**IPS**

INTERNATIONAL PRESS SERVICES

# Staying On Course

Having weathered previous economic storms, Malaysia can be cautiously optimistic about its economic future.



*Datuk Seri Najib Razak, Prime Minister*



*Malaysia's development is reflected in its capital's skyline*

**M**alaysia is a country that has proved adept at learning from history. The memory of the 1997 Asian financial crisis is still strong, but the country emerged from that difficult period with credit. Enacting bold policies that ran contrary to the advice of the IMF, Malaysia suffered only one year of economic contraction—far outperforming most neighboring countries.

This bodes well for the coming months, especially as the lessons of 1997 have remained fresh in the minds of most policymakers, not least the central bank, over the last ten years. Malaysian banks escaped the credit crunch largely unscathed thanks to prudent regulation, and many of the remedies for the financial sector currently being implemented in the West were pioneered by Malaysia a decade ago.

The country has made significant progress since then, with the economy growing by at least 5% per year for the last five years. Many visitors to Kuala Lumpur, the capital forested with skyscrapers, are surprised by its modernity. With a population made up of Malays, ethnic Chinese, and ethnic Indians, as well as the legacy of British influence, the country is a melting pot of cultures and traditions.

In 2008 Malaysia saw the first political instability it had experienced in many years, as the opposition found their feet. This could be seen as the teething troubles of a young democratic nation, and is not expected to translate into

economic instability. Defying the norm in a region known for political turbulence, Malaysia has an ingrained tradition of planning for the future. This long-term approach now forms the bedrock of its administrative culture.

Early in April Najita Razak replaced Abdullah Ahmad Badawi as prime minister, determined, among other things, to wean the economy off its reliance on low-end manufacturing. He is also anxious to close the ethnic and religious

divide and open up the country's services sector.

The government has long been pro-business, and it remains keen to attract foreign investment, aiming to be ranked in the top ten of the World Bank's survey of the ease of doing business by 2010. While companies

such as Intel have been profiting from their investments in Malaysia for years, the opportunities available in the country are still something of a well-kept secret. The main draws are its skilled, multicultural labor force, proficiency in English, advanced infrastructure, and links with many parts of the world such as China, India, and the Middle East.

Malaysia is at heart a trading nation, and can expect to be impacted by the current economic downturn. However, recent years have seen a drive to diversify the economy and reduce its reliance on any one sector. Malaysia is no longer out to compete with China and Vietnam for low-cost manufacturing and is targeting more value-

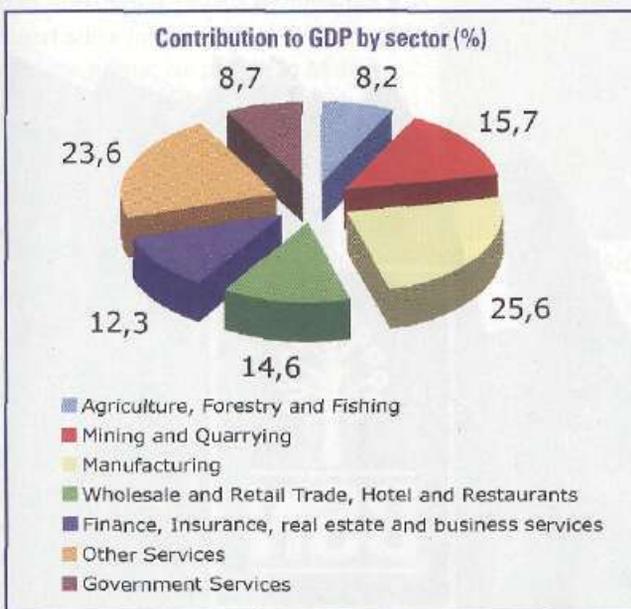
*"Many of the remedies for the financial sector currently being implemented in the West were pioneered by Malaysia a decade ago."*

added industries, as well as spurring domestic investment. As the ASEAN nations progress with their planned economic integration, the country will gain one of the key factors it has lacked: a large "home" market for its products and services.

The government hopes to mitigate the effects of the global slowdown by spending a total of RM470 billion (\$132 billion) on economic stimulus by the end of next year. Longer term, it is counting on fostering creativity and an innovation economy as a means of taking the economy to the next level.

In order to develop, countries such as Malaysia require not only economic progress but also social and cultural advancement. Prime Minister Najib acknowledges the importance of a country's "value system and institutions, in terms of the practice of the code of law and democracy." Over the following pages, we examine some of the sectors that will be crucial to Malaysia's future development as it strives to reach developed status by the year 2020.

The country's ambition cannot be faulted. As former Prime Minister Abdullah put it, "You can reach for the ceiling, but it is not enough. If you aim for the sky, you might just touch the ceiling." ;



### Investor Attractions

- Skilled, multicultural workforce
- Pro-business government
- Modern infrastructure
- Strong links with China, India, the Middle East, etc.
- Wide use of English
- High quality of life

# Banking on Social Progress

There is more than one way to run a financial institution.



Adinan Maning,  
BSN's CEO

Worldwide, the reputation of banks is at its lowest ebb since the depression; bankers have come to be synonymous with the excesses that led to the downfall of the most advanced financial systems. While the economies of many a Western country are now paying for their reckless behavior, it is worth remembering that there are other models of banking that place an emphasis on social progress as well as profit.

Take the example of Bank Simpanan Nasional (BSN), the national savings bank of Malaysia—an organization of more than 5,000 employees and almost 400 branches serving seven million customers throughout the country.

BSN's core products are no different from those of other banks. It provides banking services as well as fi-

The bank offers housing loans to clients with variable income who cannot provide income and tax statements—people like fishermen, farmers, and small business operators.

nancing and deposit products, but as a statutory body owned by the government of Malaysia it has a wider social responsibility than most other financial institutions.

BSN is a community bank with a mandate to deliver banking services to all segments of society. Its mission is to "improve the economic well-being and quality of life of Malaysians by actively promoting savings, investment and the practice of sound financial management," explains Adinan Maning, BSN's CEO.

The bank's operations ensure that all Malaysians have access to banking services. "Banking in rural areas should be no different to banking in the cities," Mr. Adinan observes. "For example, we have more than 650 ATMs and we position some of them in places that are remote. We also provide mobile banking services."

On the lending side, BSN offers personal and housing



*BSN provides the only banking services in remote places such as Tioman Island*

loans. What distinguishes the bank is that these housing loans are also offered to clients with variable income who do not have income and tax statements—people like fishermen, farmers, and small business operators. BSN also has a loan scheme for small businesses. "We have 35 microfinance centers at various strategic locations, where we provide micro loans, particularly to small but promising business operators," says Mr. Adinan. The idea is to provide a step-by-step financing progression to help small businesses grow.

BSN's savings amount to more than \$3 billion in

deposits and are guaranteed by the government. The bank also has exclusive rights to issue Premium Savings Certificates—a savings product that offers dividends (albeit at a low rate) and enables participation in a draw to win more than 1,700 prizes every month. The idea is to mobilize deposits by making saving more exciting.

"As the national savings bank we should be able to carry out our social obligations and still make a profit. Human capital development is a big priority for this country so we educate people about banking from school age and encourage savings," explains Mr. Adinan.

This attitude towards social progress extends to the staff too. Last year saw the launch of Project Amal Jariah (Project Philanthropy), in which BSN's employees volunteered to repair run-down houses in rural areas. The project was funded by the government of Malaysia. "Our staff has repaired more than 2,000 houses. I am very proud of their selflessness and commitment," says Mr. Adinan. "This is our philosophy and my aim is to continue to do what we're supposed to be doing and do it well, not just banking for profit."

In times such as these, distinguishing oneself from the competition through social activities is an approach that others would do well to consider.

## BSN: Standing Out

- Providing banking services to all Malaysians
- Facilities covering the entire country
- Strong support to small businesses throughout Malaysia
- Housing loans for non-fixed income earners
- Significant contribution to community activities
- Programs to raise awareness of financial services
- Government back up
- Strong commitment to the society



# A New Paradigm: The White Ocean

Imagine a unit trust with negligible minimum investment; a capital guarantee, redemption on-the-spot and average returns of 6% to 9% during the last decade. It might sound like a pipe dream to many, but this is what Permodalan Nasional Berhad (PNB) has been providing to Malaysians for more than three decades. Below, President and GCEO Tan Sri Hamad Kama Piah explains how his company has played a fundamental role in Malaysia's development and social restructuring through its "white-ocean" strategy.

**Q. What were the motives behind the foundation of PNB in 1978?**

A. In the 1970s, the Malaysian economy was largely influenced by non-indigenous Malaysians and foreigners, and there was a wide gulf in income and wealth between communities. PNB was set up to change this, and to give the disadvantaged a direct stake in the economy. Through our unit trusts, we provided Malaysia's indigenous population with an affordable and accessible way of investing their savings. We in turn invested that money in Malaysian businesses, thus providing indigenous Malaysians with a collective influence in the country's corporate sector, and making PNB a force for change in the companies it has stakes in.

**Q. What is special about PNB's unit trusts?**

A. In order to be accessible, our trusts have certain unique characteristics: a low initial investment of RM10 (\$2.75), a fixed unit price, and on-the-spot redemption. Our products have proved very popular: In our first year (1981) we attracted more than RM500 million (\$140 million) in investments, more than tripling the size of the unit trust sector then. Today, any new product we launch is fully subscribed within hours, and we now manage RM120 billion (\$33.6 billion).



Tan Sri Hamad Kama Piah,  
Group CEO of PNB

**Q. You have extended W. Chan Kim and Renee Mauborgne's blue-ocean strategy to include a third space: the white ocean. What defines a white-ocean strategy?**

A. A blue-ocean market space has room for rapid growth and profitability but little competition, while fulfilling a customer need. A white-ocean space is similar, but also involves an area that no one wants to venture into for a variety of reasons, such as high marginal costs, difficulties in administration, or small profit margins. A white-ocean strategy operates against conventional wisdom, involving a business venture that has so many difficulties that business leaders reject it out of hand, but one

that has the potential to be successful and—crucially—is socially desirable. PNB, through its white-ocean strategy, has the profit orientation of a commercial organization and the social consciousness of a welfare organization. I may say another good example is that of Grameen Bank in providing microfinance in Bangladesh.

**Q. By definition, white-ocean strategies involve difficult areas. What challenges have you faced implementing your strategy?**

A. The low initial investment means that we have to deal with many small accounts of small value, increasing costs. We also place a ceiling on the value per account. On-the-spot redemption means that we may need to raise cash just when conditions are difficult, and some of our funds have fixed unit prices, which implies that PNB carries not only market risk but liquidity risk as well. Despite these challenges, we have managed to pay returns every year: At the height of the 1998 Asian crisis we paid out 10.2%.

**Q. How has PNB fulfilled the social aspect of the white-ocean strategy?**

A. PNB helped create a landscape where indigenous Malaysians could enter the mainstream of the country's economic life. Today, there is less interracial strife and social disharmony. By being an active investor in the companies within our portfolio, we have made them stronger and more resilient, and generated employment for indigenous Malaysians. We are proud to have contributed in helping kick-start the unit trust industry in Malaysia, and in significantly raising the awareness of financial planning. Malaysians have come a long way, both socially and economically. We are proud to have played a part in that progress.

# Turning the Corner

Malaysia's advanced transport infrastructure is one of its key assets. Given its prime geographic location, it could become a crown jewel.

Malaysians like to say that theirs is a country blessed by God, and it certainly has a surfeit of riches, ranging from fertile soils to a wealth of natural resources. But perhaps chief among all these attributes is the country's location. Lying at the center of the ASEAN region, it sits at the crossroads of international shipping and aviation routes.

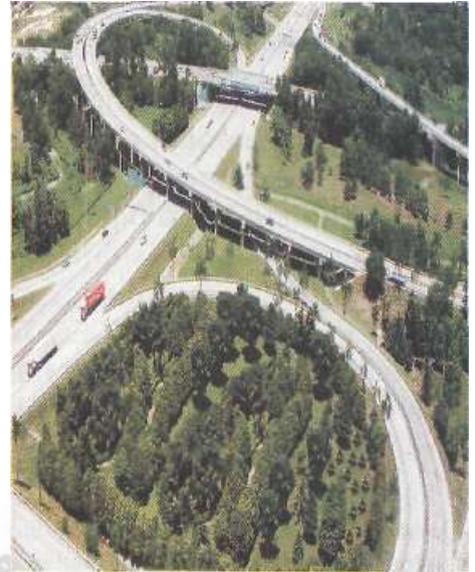
Datuk Ong Tee Keat, the Minister of Transport, acknowledges that in the past Malaysia hasn't done all it could to make the most of this advantage, citing the lack of a comprehensive strategy. This is something that has been remedied, and all the key building blocks are in place. "We need to keep one step ahead. We can't wait until others start surpassing us to realize the importance of planning our infrastructure! development," he explains.

He also cites the importance of being active on the international stage. "We need to play our role effectively within the international community. We play by the rules; at many conventions, we are one

of the signatories."

The country can already point to many transport success stories. Kuala Lumpur International Airport is consistently voted one of the world's best. AirAsia, a private airline run by entrepreneur Tony Fernandes, pioneered the low-cost carrier model in the region and last year carried 18.3 million passengers. His latest venture, AirAsia X, has taken things a step further by introducing a Kuala Lumpur-London route, at prices well below those of competing airlines. The company has been so successful that Malaysia is now the de facto hub for low-cost aviation in Southeast Asia.

In shipping, fast-growing Port of Tanjung Pelepas (PTP) has emerged as a serious rival to Singapore for container traffic. It embodies Malaysia's strategy of planning for the future, with room to expand its current 10 berths to a total of 95. Business has grown rapidly over the past few years, and its success has attracted major shipping lines such



as Evergreen and Maersk.

Both AirAsia and PTP took off in the midst of crises; the former just after 9/11 and the latter during the Asian financial crisis. They are proof that tough economic times can be times of opportunity, given a long-term vision and enough dedication. "There are always silver linings in any of these things and we are good at finding them," says Mr. Fernandes.

Challenges remain for Malaysian transport, particularly in managing growth and enhancing intermodal connectivity. But the signs are that Malaysia is coming to grips with the potential of one its biggest assets. I

# The Long and Lucrative Road

Early investment in highways has given Malaysia a head start on its rivals.



*Noorizah Hamid, Managing Director of PLUS Expressways*

If roads are the arteries of an economy, Malaysia's circulatory system is in better health than many other countries in the region. The government grasped the importance of a modern road network early on, and made its construction a priority.

"The father of Malaysia's modernisation program, former prime minister Tun Mahathir, saw the need for a good highway network in order

to generate foreign investment and economic growth," explains Ms. Noorizah Abdul Hamid, managing director of PLUS Expressways.

The concept of a North-South highway was born, and PLUS won the right to build and operate it. Delivered in 1994, 15 months ahead of schedule, it stretches almost 1,000 kilometers from the border of Thailand to Singapore. The results were emphatic: New industrialized areas

sprung up, ports expanded, and construction boomed, directly enhancing the national economy.

Growth in domestic highway revenue is now steady at 3% to 4% a year, but having built up such expertise, PLUS has bigger plans for the future. The company recently rebranded to reflect its new ambi-

**The North-South highway stretches almost 1,000 kilometers from the border of Thailand to Singapore. Its effects have been emphatic: New industrialized areas have sprung up, ports have expanded, and construction has boomed, directly enhancing the national economy.**

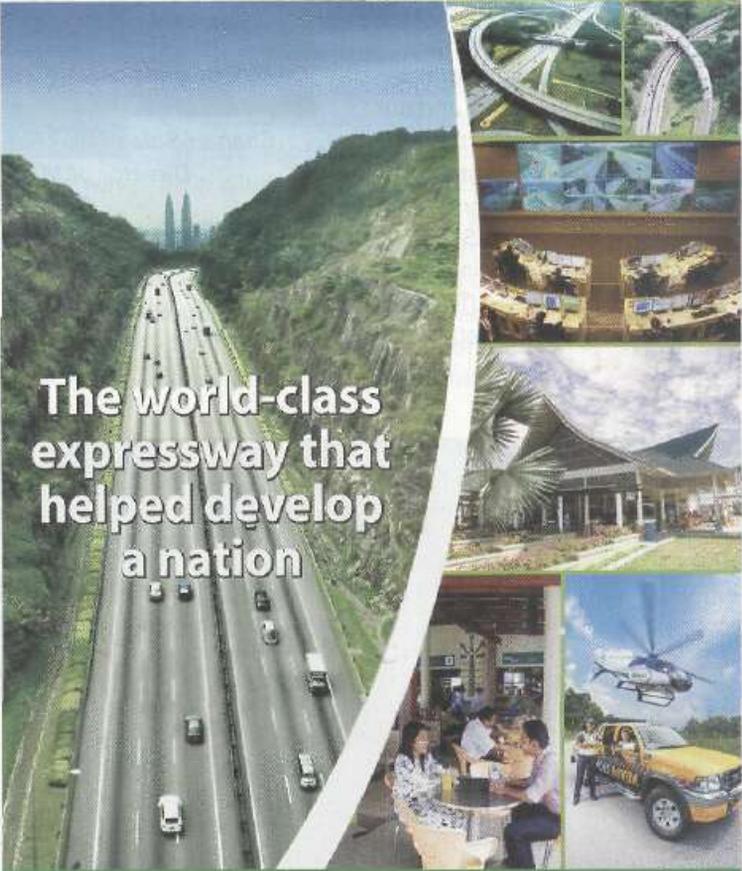
tions. Tough economic times will lead governments to invest in infrastructure as a way of stimulating their economies, and Ms. Noorizah is bullish about the company's prospects. "PLUS now has the competence and investment confidence to take on infrastructure opportunities in countries such as Indonesia and India," she explains.

There is a big demand in both countries. "Because of our name, reputation, and track record, the

Indonesian government has been very receptive to our proposals. In India we put in a competitive bid and, even though our way of doing business is very different, the government offered us the opportunity to upgrade a highway."

Ms. Noorizah began her career at PLUS in 1991 and attributes her suc-

cess to her leadership skills. Never before has a woman assumed such a position in this male-dominated industry. "I see my appointment as a tribute to the progressive nature of Malay society," she says. "People now accept that women can be CEOs of leading companies. Other than that, I let my work speak for itself." I



**The world-class expressway that helped develop a nation**

Operates and maintains 970 kilometres of expressways in Peninsular Malaysia	Provides world-class facilities and amenities that are constantly improved upon	Operates 24-hour traffic surveillance and assistance for our customers	Largest toll expressway company in South East Asia with business ventures into Indonesia & India
---	---	--	--

The PLUS expressways is much more than just a link for Malaysians. It's a world-class expressway that has contributed significantly to the nation's development. Superior infrastructure. Numerous job opportunities. Stimulates growth in tourism. PLUS expressways travellers enjoy better safety features - wider lanes, reflective signs, ample emergency phones and PLUSRonda services for vehicle breakdowns. It's a commitment from PLUS to ensure Malaysian road travellers enjoy a world-class expressway that's safer, more comfortable and at true value or money.

A commitment that helped develop a nation.

**PLUS**

PLUSLINE 1 800 88 00 00  
www.plus.com.my

# Flying Higher

The progress made by Malaysian transport is well illustrated by the story of its biggest air cargo company.

This decade's airfreight boom experienced some turbulence at the end of 2008, with traffic falling 22.6% on a year to year basis. IATA expects a further 5% decline in 2009, yet MASKargo, symbol of Malaysia's air-freight sector, is well positioned to weather the storm. The company has successfully overhauled itself in recent times to become one of the most competitive in the business.

"We are not one of the big operators, but we have our network and our efficiency right, our cost structure is low, and our mis-handling rate is at a par with the world's best cargo handlers," explains Shahari Sulaiman, MASKargo's managing director.

The company's new look include a fully automated cargo handling facility, fuel-efficient 747-400 cargo planes and a \$12 million investment in a new IT management system.



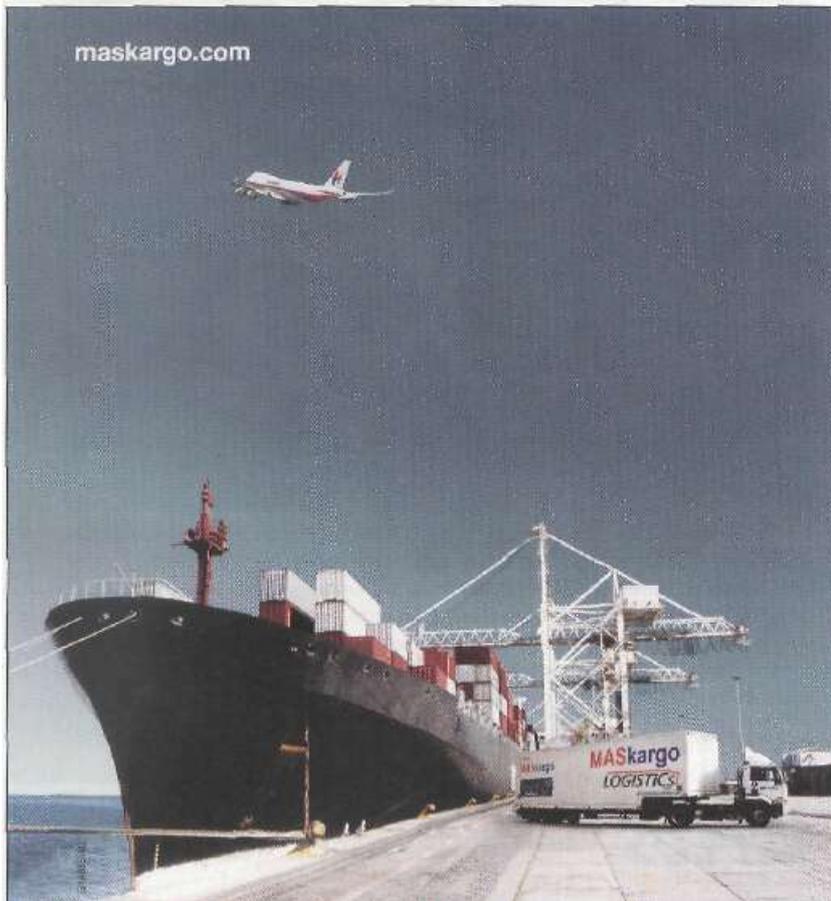
Shahari Sulaiman, Managing Director of MASKargo

"Our team has been running these facilities, procedures, and systems for three years now, so while many airlines are losing money, we have improved our load factor and our yields," adds Mr. Sulaiman, who also believes location is key to MASKargo's resilience.

"For a cargo airline to be successful you have to be where the volumes are. We are at the center of major trade links between China and Australia, China and Europe, and Europe and Australia."

MASKargo has traffic rights to the U.S. and foresees a strong future serving the half-billion population of ASEAN.

"We are a preferred carrier for the top two freight forwarders in the world," Mr. Sulaiman explains. "You don't get that unless you have a talented team, state-of-the-art IT systems, and your product and facilities are top class."



maskargo.com

60 tonnes of electronics from Shanghai must reach Amsterdam within 5 days. Do you deliver by sea or air?

The answer is "both". With MASKargo I-Port, we can provide our clients the speed of air transportation and the cost-effectiveness of sea transportation. Our seamless transition from air to sea ensures cargo can be delivered on time and cost-effectively.

INNOVATION KEEPS BUSINESS MOVING



# Studying Success

Malaysians appreciate the importance of education. Today 23% of the government's budget is earmarked for higher learning.

Being a relatively small country, Malaysia has always had an international outlook, and for those who could afford it this meant studying abroad. But changes are afoot in Malaysian higher education these days, and that same international outlook is being used to improve the country's domestic education. Increasingly, students and researchers have greater reason to stay at home.



UPM leads the way in commercializing Malaysia's research

Within the country's top universities, more emphasis is being put on the importance of preparing students for life after graduation and less on simply dictating facts. A new way of thinking has allied the development of commercial products to traditional academic expertise. Add in increasing international cooperation and there has never been a better opportunity for higher education to positively shape the future of Malaysian society and increase its influence abroad.

One university that has seen a huge amount of change is Universiti Putra Malaysia (UPM). Its roots go back to a school of agriculture founded in 1931, which has since flourished into a full-fledged university. Focusing on science and technology, it now boasts 16 faculties and nine research centers, and is considered one of Malaysia's most prestigious institutions of higher education.

UPM hasn't lost its focus on agriculture, however. It remains a sector full of promise, and last year's commodity price rises reiterated the importance of food security. The approach has changed, though. "Agriculture used to be in the field, but now it is in the lab," explains the vice chancellor of UPM, Prof. Nik Mustapha Abdullah. "We are looking at the whole chain now, particularly high value-added aspects."

"We see ourselves as a world leader in new tropical agriculture," he adds, with particular expertise in agro-biotechnology, nanotechnology, and agriculture as a business. The success in these areas is built upon a strong culture of research; UPM employs 2,000 academic staff, 70% of whom hold PhDs.

UPM was also quick to grasp the importance of

commercialization, promoting the transfer of university research and technology to industry. "We were the first to introduce the concept in Malaysia and last year our products generated RM28 million (\$7.7 million)—more than any other research institute in the country," says Prof. Nik. "Now we need to scale it up, find new partners and a bigger market."

The search for partners has led UPM towards international cooperation. "We have agreed to offer a joint degree with the University of Sheffield and split degree programs with Imperial College London, Nottingham University, and Melbourne University," explains Prof. Nik. "We are also talking to Babson College in Boston about a tie in with our graduate school of management. Sharing resources like this creates a win-win situation."

Prof. Nik is keenly aware of the importance of reputation in the world of higher education, and one aim of such partnerships is to increase global awareness of UPM. It is through such efforts that Malaysian education can fulfill its role on the world stage.

**Universiti Putra Malaysia**

Berilmu Berbakti  
With Knowledge We Serve

a world  
Leader  
in the new  
Tropical  
Agriculture

[www.upm.edu.my](http://www.upm.edu.my)

# Universities Get Down to Business

In Malaysia the line between education and business is blurring, bringing a multitude of benefits.

The last 20 years have seen a sea change in Malaysian higher education, with liberalization leading to the establishment of private universities. As competition has increased, universities have become ever more resourceful in finding ways to better fulfill their role and generate revenue. This has led to a spirit of entrepreneurialism that feeds into academic work and brings tangible benefits to the country as a whole.

One institution to have gone through this process is Universiti Kebangsaan Malaysia (UKM), the country's national university. It is one of Malaysia's four research-intensive universities, and is continually ranked as one of the best in the country. A key to its success has been to study and adapt to the needs of industry—something promoted by the current vice chancellor, Prof. Sharifah Hapsah Shahabudin.

The objective is the "efficient utilization of resources to generate more revenue," she explains. If research can be commercialized, the extra income generated can be fed back into the university, giving it greater freedom.

Commercialization brings other benefits, too. "We make our academics happier by forming companies in which they have a share," Prof. Sharifah Hapsah adds. This helps UKM attract and retain the best staff. The university can also market its expertise, by allowing doctors to practice within a dedicated wing, for example.

A business-minded approach also helps foster an entrepreneurial culture, something Prof. Sharifah Hapsah believes is important for students as well as staff. The university's entrepreneurship program allows students with bright ideas to form companies and gives them business premises.

It's not all about business, of course; UKM has a mandate to promote Malaysia's national identity and lan-



*UKM seeks to capitalize on the rise of globalization and multiculturalism*

guage, something it takes very seriously. By also taking into account the rise of globalization and multiculturalism, the university can ensure that its activities are relevant.

Overall, UKM takes a holistic approach to education. "People have many different talents at this university. It is our job to nurture, inspire, and help them realize their ambitions," continues Prof. Sharifah Hapsah, pointing out that UKM has not lost sight of the wider role that it is expected to play. "This is not just for industry. Our research and teaching must also benefit the community."

The university has no shortage of projects to this end. Fifteen years of research led to the creation of Langkawi Geopark, recently recognized by UNESCO, Research covers every angle from geological to cultural, and has been used to directly improve the livelihood of the island's inhabitants. "Fishermen have extra income because they run the boats around the island, and our new research center will train local people as tourist guides," says Prof. Sharifah Hapsah.

No one would claim that a university should be run like a traditional business, but as UKM shows, much can be learned from the private sector, and much gained by working with it. \$



**UNIVERSITI  
KEBANGSAAN  
MALAYSIA**  
Nasional Universiti of Malaysia

**PUBLIC AND CORPORATE  
RELATIONS OFFICE**  
UNIVERSITI KEBANGSAAN MALAYSIA  
43600 BANGI, SELANGOR  
MALAYSIA  
TEL: (+603) -8921 5053  
FAX: (+603) -8921 4097  
EMAIL: ppok@ukm.my  
[www.ukm.my](http://www.ukm.my)

**UNIVERSITI  
KEBANGSAAN MALAYSIA**  
*Inspiring Futures, Nurturing Possibilities*

**FACULTIES:**

- ALLIED HEALTH SCIENCES
- DENTISTRY
- ECONOMICS AND BUSINESS
- EDUCATION
- ENGINEERING AND BUILT ENVIRONMENT
- INFORMATION SCIENCE AND TECHNOLOGY
- ISLAMIC STUDIES
- LAW
- MEDICINE
- PHARMACY
- SCIENCE AND TECHNOLOGY
- SOCIAL SCIENCES AND HUMANITIES



# Just What The Doctor Ordered

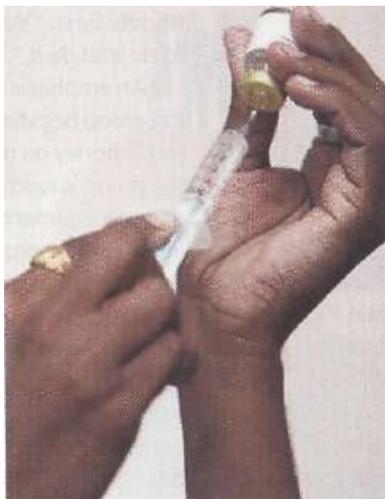
Malaysia has all the ingredients to become a destination of choice for healthcare.

Until recently, Malaysian health-care's combination of expertise, high standards, and low costs were a well-kept secret. This is now changing; over the past few years the country has emerged as one of the **most** attractive health tourism destinations, not only in Asia but also in the world.

The number one concern of **any** patient is the quality of care. Malaysia has always possessed highly skilled doctors, with many practicing in the UK before returning home. Malaysian **nurses are** in high demand abroad, and nursing colleges are proliferating. That expertise is now being combined with a commitment to international standards **such as JCI**, providing assurance that the care available in Malaysia is of a global standard. These **factors**, combined with very competitive pricing, are what are attracting **foreign** patients to the country.

Take the example of Penang Adventist Hospital's cardiac center. "Our doctors are trained **in the** latest techniques at the leading centers of the world," explains Teddric Jon Mohr, the hospital's CEO. "When I bring surgeons over here **from** the U.S., their eyes pop out of their heads. They say, 'Your surgery suite's more modern than ours.'" What's more, the hospital charges around \$8,000 for an open-heart surgery, compared to around \$50,000 in the United **States**.

The healthcare industry in Malaysia has traditionally been sustained by strong domestic demand, but it is the international **market** that is set to really take off, with



"When I bring surgeons over here from the U.S., their eyes pop out of their heads."

Mr. **Choy** Lup Bong, undersecretary in **charge** of international development. **Given the promise of the sector, it's** an attractive **proposition**.

Moreover, healthcare is exactly the kind of high-tech, highly skilled **industry** that **Malaysia** needs to **foster** in order to **move the** Malaysian economy forward. With a little help from abroad, the sector is set to **realize its** potential.

revenue from foreign patients increasing by 240% between **2004 and 2007**. The benefits to the country are great: Medical tourists are thought to spend four times more **than** traditional **ones**.

Malaysia **has more to offer than** surgical procedures, too; its combination of spas, wellness centers, and complementary medicine provide **an all-round** healthcare **package**. The country's climate, **beauty**, and natural charm also make it an **ideal place to recuperate** after a **procedure**.

What has been lacking up until now has been a concerted drive to market Malaysian healthcare to the world. The Ministry of Health has recently taken the initiative, **coordinating efforts to raise** awareness and attract **patients**. It has also taken steps to liberalize the market in order to level the **playing field** and attract investment "There are opportunities everywhere, from hospitalsto Pharmaceuticals and **medical devices to distribution**. We welcome all investment and there are always opportunities for everyone," comments



## Malaysia is a competitive health tourism destination:

- Highly qualified, English-speaking staff
- Strict standards
- Modern facilities
- Competitive cost
- Multicultural environment
- Malaysia's renowned hospitality

## Looking Good

Malaysian healthcare isn't only about major surgeries; a whole range of procedures are offered, including elective surgeries such as cosmetics. Prince Court Medical Centre, located in Kuala Lumpur, sees a bright future for laser eye surgery. "Our Eye and LASIK Center uses the most up-to-date technology. You will not find a more advanced facility anywhere in the world," explains CEO Stuart Rowley, who signed himself up as one of the center's first patients. The process has advanced to the point where it only takes 20 minutes, with minimal recovery time. Procedures such as these are expected to attract large numbers of foreigners looking to exploit the considerable cost gap between Malaysia and Western countries.

# A Healthy Prognosis

One of the leading figures in Malaysian healthcare, Datin Paduka Siti Sa'diah Bakir has gained a reputation for foresight and ambition. She sees promising times ahead.

The first thing you notice about Datin Paduka Siti Sa'diah is her energy. A forceful presence, she exudes an enthusiasm that's hard not to find infectious. These qualities have served her well as head of KPJ Healthcare, which she has guided from a small operator to the largest healthcare group in Malaysia, with revenue last year of RM 1.267 billion (\$350 million),

She puts the group's success down to hard work and innovation. Although it started from scratch and had to bring in healthcare expertise, KPJ was soon taking over and turning around underperforming hospitals. The group now owns 19, and treated approximately two million patients in 2007.

The next step is expansion abroad, and KPJ is in the process of applying its healthcare management expertise, honed over the years, to places such as Indonesia and the

Middle East. "You have to look at what others are not able to do and do it," Datin Paduka observes.

An emphasis on human capital has served KPJ well, with the group boasting more than 650 specialists. "We spend a lot of money on managers, doctors, and support staff so that the group is ready, from conceptualizing an idea to day-to-day management, including the planning and commissioning of any hospital in any part of the world. Whatever can be done by the West, our doctors are able to do."

Datin Paduka is cautiously optimistic despite the current economic climate, explaining that Malaysian healthcare's excellent value makes it attractive to increasingly cost-conscious patients. "Our revenue from foreign patients keeps rising, particularly for cardiology, orthopaedics, oncology, and cosmetic surgery."

One of the most skilled strategists in her sector, Datin Paduka is adept at finding silver linings. "As the Chinese proverb says, when challenging times come, so do opportunities," she notes. Given her track record, you wouldn't bet against her seizing some of them this time around.



Datin Paduka Siti Sa'diah, Managing Director of KPJ



**KPJ HEALTHCARE BERHAD**  
(A Member of Juhor Corporation Group)

*Case For Life*

7, Pesiaran Titiwangsa 3, 53200 Kuala Lumpur  
Tel: 6(03) 4022 6222 Fax: 6(03) 4024 4812  
Email: kpj@kpjhealth.com.my

- Safety
- Courtesy
- Integrity
- Professionalism
- Continuous Improvement



www.kpjhealth.com.my

- KPJ Healthcare Berhad is the leading private healthcare provider in Malaysia with a network of 19 hospitals in Malaysia, 3 in Indonesia, 2 in Saudi Arabia and 1 in Bangladesh.
- KPJ Hospitals are equipped with state of the art medical technology and provide a comprehensive range of medical services.
- KPJ is supported by more than 650 medical specialists and 7,000 staff.
- KPJ Hospitals have served more than 2 million outpatients and 200,000 inpatients in 2008.
- Most of KPJ Hospitals have been accredited by the Malaysian Society for Quality in Health (MSQH) and have the Integrated Management System (IMS) in place that conforms to the high standards in quality services, environmental safety and health management.
- With renowned experts in various disciplines, KPJ Hospitals have attracted many foreign patients from all over the world.

**KPJ NETWORK OF HOSPITALS**

ACCREDITED BY MALAYSIAN SOCIETY FOR QUALITY IN HEALTH (MSQH)

- KPJ Johor Specialist Hospital (JSH)
- KPJ Ipoh Specialist Hospital (ISH)
- KPJ Ampang Puteri Specialist Hospital (APSH)
- KPJ Damansara Specialist Hospital (DSH)
- KPJ Selangor Specialist Hospital (SSH)

**MALAYSIA**

- Tanjong Hospital (TH)
- Klangan Specialist Hospital (KSH)
- Puteh Specialist Hospital (PSH)
- Bukit Mertajam Specialist Hospital (BMSH)
- Kedah Medical Centre (KMC)
- Penang Specialist Hospital (PSH)
- Hospital Penang (HP)
- Kelantan Specialist Hospital (KSH)
- Seremban Specialist Hospital (SSH)

**INTERNATIONAL**

- Ramah Sakit Sejahtera Indonesia
- Ramah Sakit Medika Permatas Hijau, Indonesia
- Ramah Sakit Bumi Serpong Damai, Indonesia
- United Hospital (United, Bangladesh)
- Jeddah Clinic Hospital, Saudi Arabia
- New Jeddah Clinic Hospital, Saudi Arabia

**EDUCATION**

- KPJ International College of Nursing & Health Sciences (NHS) Main Campus
- KPJ International College of Nursing & Health Sciences (NHS) Branch Campus

