BERNAMA

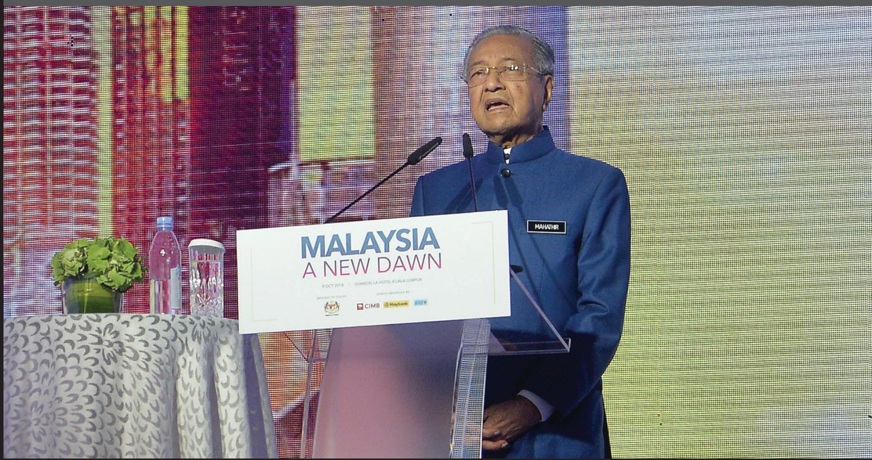
MALAYSIAeBiz

WEEKLY *BUSINESS ROUNDUP 8 OCTOBER - 12 OCTOBER 2018*

Edition 230

October 12, 2018

This Week's Highlight :
Govt Needs Other Sources Of Funds To Repay Debts - PM



NEW DAWN...Prime Minister Tun Dr Mahathir Mohamad addressing the new government's inaugural investor conference themed "Malaysia: A New Dawn" in Kuala Lumpur Tuesday. -- fotoBERNAMA by Mohd Safwan Mansor

KUALA LUMPUR -- The government needs to find other sources of funds to repay its debt, including imposing new taxes and selling some of its assets, says Prime Minister Tun Dr Mahathir Mohamad. "That is one of the ways for the government to raise money but we haven't decided on any new tax," he said at the "Malaysia: A New Dawn Investors' Conference" here Tuesday.

This Week's Top Stories

MONDAY

MMC Gamuda Not Officially Notified Of MRT2 Termination

KUALA LUMPUR – MMC Gamuda KVMRT (T) Sdn Bhd has not received any official notification pertaining to the termination of the Mass Rapid Transit 2 (MRT2) underground contract by the Mass Rapid Transit Corporation Sdn Bhd and/or the government. "There has been no official confirmation from MRT Corp that MMC Gamuda has been terminated as the underground contractor," said Gamuda Bhd in a filing with Bursa Malaysia Monday.

TUESDAY

MRT2 Underground Job To Continue At Reduced Cost

KUALA LUMPUR -- The government has given an assurance that the Mass Rapid Transit 2 (MRT2) underground contract will continue, but it will be awarded through an open tender at a reduced cost. Finance Minister Lim Guan Eng said Tuesday the government was committed to lowering the costs of the project through a re-tendering exercise.

WEDNESDAY

Najib Questions Sale Of PNB's Khazanah's Assets

KUALA LUMPUR -- Former prime minister Datuk Seri Najib Tun Razak has questioned the government's move to settle the country's debts through the sale of Khazanah Nasional Bhd's and Permodalan Nasional Bhd's (PNB) assets and shares. He queried whether the move, despite being the easy way out, would be the wisest and had been properly studied. "We should look at the costs versus benefits before making any decision," he said in a posting on his Facebook account Wednesday.

THURSDAY

Malaysia Concerned Over Megatrends In Trade War Between Major Powers

From M. Saraswathi

BALI (Indonesia)-- Prime Minister Tun Dr Mahathir Mohamad who returns to attend an ASEAN meeting after 15 years, says that Malaysia was very concerned over the megatrends involving the trade war between major powers. As Malaysia is a trading nation, it needs stability in the world market and if that is undermined, naturally the country will suffer, he said at the inaugural ASEAN Leaders Gathering here Thursday.

FRIDAY

Toll-Free Roads Not Possible - Mahathir

From M. Saraswathi

BALI -- Prime Minister Tun Dr Mahathir Mohamad says it is not possible to have highways without the imposition of toll collection. "We made the manifesto thinking we would not be the government. Now we are the government and this manifesto is a big burden," he told Bernama and RTM at the conclusion of the inaugural ASEAN Leaders Gathering here Thursday.

SMEbrief

Ministry, SME Bank To Develop Women Entrepreneurship

KUALA LUMPUR -- The Ministry of Women, Family and Community Development and its agencies will be working together with the Small Medium Enterprise Development Bank (SME Bank) to help boost women's participation in business. Deputy Prime Minister Datuk Seri Dr Wan Azizah Wan Ismail, who is also Women, Family and Community Development Minister said, according to the Economic Census 2016, the number of women businesswomen was still small, accounting for only 20.6 per cent of the total number SME entrepreneurs in the country. "I believe that the effective empowerment of the SME sector can alleviate the poverty rate. "In this regard, the government has the responsibility in providing appropriate policies, while government agencies provide the right products and services, as well as advisory services as basic facilities for people's development via SMEs," she said at the launch SME Bank XCESS 2018 here Monday.

SME Exports Via Alibaba Up 55 Pct

KUALA LUMPUR -- The Alibaba e-commerce platform has boosted the exports of local small medium enterprises (SMEs) from zero per cent to 55 per cent within a year, says its International Business Unit Chinese Supplier Director Jaycee Lam. He said the e-commerce platform had a complete business structure that connected business and buyers, which included lower logistics costs and faster delivery time. "With this, we hope that more SMEs will come onboard our platform by year-end. Our target is to reach 2,000 SMEs compared with 1,500 currently," he told participants of the Alibaba.com Global Trading Conference here Thursday. Malaysian External Trade Development Corporation Deputy Chief Executive Officer Sharimathon Mat Salleh said 98.5 per cent of business establishments in Malaysia were SMEs which had enormous potential to grow further. "Cross-border e-commerce provides an alternative way for them to access the world market. We encourage Malaysian SMEs to leverage on Alibaba.com and eTRADE to start exporting through eCommerce," she said.

Meanwhile, Alibaba.com General Manager Yu Yong said in the last #SuperSeptember Online Expo, Malaysian merchants experienced double-digit increase in sales and enquiries from global buyers. The #SuperSeptember Online Expo, from Sept 4-30, was conducted on Alibaba.com.

PropUP Property update

Five Housing Entities To Be Under Ministry - Zuraida

KUALA LUMPUR -- The Housing and Local Government Ministry has finalised five housing entities to be placed under the ministry to oversee and coordinate all affordable housing development in the country. Its minister Zuraida Kamaruddin said Monday, the agencies were Perbadanan PR1MA Malaysia (PR1MA), 1Malaysia Civil Servants Housing Programme (PPA1M), UDA Holdings Bhd, Syarikat Perumahan Negara (SPNB) and the Hardcore Poor Housing Programme (PPRT).

NS To Resolve Issues Of Abandoned Housing, Commercial Projects

SEREMBAN, -- The state government is committed to resolving issues concerning several abandoned housing and commercial projects to help the affected buyers. State Urban Wellbeing, Housing, Local Government and New Village Committee chairman Teo Kok Seong said Tuesday, there were currently two housing projects in Kuala Pilah and Gemas, and four abandoned commercial projects in Seremban.

Most Housing Units Launched H1 Cost Below RM500,000 - Rehda

PETALING JAYA -- The proportion of residential properties launched in the price range of RM500,000 and below experienced a jump to 65 per cent of total launches in the first half of this year (H1 2018) compared with 52 per cent in the second half of 2017, according to a Real Estate and Housing Developers' Association Malaysia (Rehda) survey. President Datuk Soam Heng Choon said Wednesday, Rehda Property Industry Survey H1 2018, which saw the participation of 152 Rehda members from across the peninsula, also found there was a 12 per cent contraction in the overall number of residential units launched during the period under review.

NS Sets RM2 Mln Minimum Property Purchase For Foreigners

SEREMBAN -- The Negeri Sembilan state government has made some changes to policy on minimum property purchase price for foreigners, setting it at RM2 million effective Wednesday. Menteri Besar Aminuddin Harun said the restriction would be enforced in Seremban, Port Dickson and Jempol areas, while in other districts the minimum purchase price would remain at RM1 million.

JPPH Proposes Committee To Control House Prices, Costs

KAJANG -- The Valuation and Property Services Department (JPPH) has proposed for the government to set up a house price and cost control committee to monitor and provide recommendations relating to house pricing. Director-General Nordin Daharom said Thursday, the committee should be represented by the developers, Ministry of Housing and Local Government, Department of Lands and Mines, Construction Industry Development Board, state governments and JPPH itself.

MARKET

BURSA MALAYSIA

Scoreboard
Gainers - 578
Losers - 334
Not Traded - 609
Unchanged - 351
Value - 2494484064
Volume - 22169727

Exchange Rate
(Ringgit : Foreign Currency)

	Buying	Selling
USD	4.1530	4.1560
EUR	4.8092	4.8139
GBP	5.4861	5.4917
100 YEN	3.6971	3.7008
SGD	3.0149	3.0175

Source: Bank Negara Malaysia

Bursa Malaysia Snaps Seven-Day Losing Streak

KUALA LUMPUR -- Bursa Malaysia snapped its seven-day losing streak to end higher Friday on renewed bargain hunting activity. The benchmark FTSE Bursa Malaysia KLCI (FBM KLCI) strengthened 22.25 points or 1.30 per cent to finish at 1,730.74 against Thursday's close of 1,708.49. The index moved between 1,703.92 and 1,732.16 after opening 4.57 points weaker at 1,703.92. On the scoreboard, market breadth was positive with gainers leading losers 578 to 334 while 351 counters were unchanged, 609 untraded and 17 others were suspended.

Volume, however, was easier at 2.22 billion units valued at RM2.49 billion versus 3.10 billion units valued at RM3.70 billion. Inter-Pacific Securities Research Head Pong Teng Siew said the improving market sentiment was in line with the strengthening of the Dow Jones Industrial Average futures by more than 200 points, which gave pointers for investors to essentially come back to the market to bargain hunt. "Whether this can be sustained, it is still an outside question. I would think that we will have to wait for the news about how the Dow Jones Industrial Average (index) performs on Monday, that is the best gauge. I am quite sure that the Dow Jones will rebound tonight on bargain hunting," he told Bernama. Main Market volume eased to 1.45 billion shares, valued at RM2.34 billion, against 2.08 billion shares, valued at RM3.52 billion, traded on Thursday.

FOREX: Ringgit Rebounds Versus US Dollar

KUALA LUMPUR -- The ringgit rebounded to close slightly higher against the US dollar, lifted by positive market sentiment, a dealer said. At 6 pm, the ringgit stood at 4.1530/1560 from 4.1580/1600 Thursday. Among others, the market was boosted by higher Brent crude price which traded at US$80.88 per barrel, up 0.77 per cent. "Perhaps with the upcoming Budget 2019 the government would announce "goodies", but measures that could further enhance the economy and at the same time reduce debts," he said, adding that this would lure more foreign investors into the country. Meanwhile, against a basket of major currencies, the local note was traded mixed. It fell against the Singapore dollar to 3.0149/0175 from 3.0124/0143, eased versus the euro to 4.8092/8139 from 4.8054/8094 on Thursday but rose against the yen to 3.6971/7008 from 3.7052/7080 and increased to 5.4861/4917 from 5.4873/4916 against the British pound.

Short-Term Rates Close Stable On BNM's Operations

KUALA LUMPUR -- Short-term interbank rates closed stable Friday following Bank Negara Malaysia's (BNM) operations to reduce excess liquidity from the financial system. The surplus in the conventional system declined to RM27.31 billion from RM39.37 billion in the morning, while in the Islamic system, it fell to RM11.81 billion from RM12.79 billion, previously. Earlier, the central bank conducted a conventional money market tender and two Qard tenders. BNM also conducted Bank Negara Interbank Bills and Bank Negara Interbank Bills Islamic. At 4 pm, the central bank conducted a RM27.50 billion conventional money market tender and a RM11 billion Murabahah money market tender, both for one-day money. The average overnight interest rate stood at 3.19 per cent, while the one-, two- and three-week rates were pegged at 3.26 per cent, 3.30 per cent and 3.35 per cent, respectively.

KLIBOR Futures End Untraded

KUALA LUMPUR -- The three-month Kuala Lumpur Interbank Offered Rate (KLIBOR) futures contract on Bursa Malaysia Derivatives was untraded Friday. October 2018, November 2018 and December 2018 all remained at 96.27, respectively, while March 2019 was pegged at 96.22. Both volume and open interest remained nil. At the 11 am fixing, the underlying three-month KLIBOR stood at 3.69 per cent.

KLCI Futures End Higher

KUALA LUMPUR -- The FTSE Bursa Malaysia KLCI (FBM KLCI) futures contract on Bursa Malaysia Derivatives ended higher Friday in line with the underlying cash market. October 2018 and November 2018 both increased 27 points to 1,733.0 and 1,732.0, respectively, while December 2018 increased 28 points to 1,728.5 and March 2019 advanced 26 points to 1,723.0. Turnover fell to 10,936 lots from 15,910 lots on Thursday while open interest decreased to 35,837 contracts against 41,004 contracts Thursday. The underlying benchmark FBM KLCI closed 22.25 points higher at 1,730.74.

Agrobank Targets Outstanding Financing Of RM1 Bln In Sabah In 2018

KOTA KINABALU -- Agrobank is targeting to achieve a total outstanding balance of RM1 billion in Sabah this year, a 16 per cent increase from that of last year. Its President and Chief Executive Officer, Syed Alwi Mohamed Sultan said until September this year, the bank recorded a total outstanding financing of about RM960 million in the state. "Sabah is blessed with a lot of agriculture industries, from fisheries, right to palm oil, while durian is picking up. "So, we can have a lot of areas where we can actually support our customers (to meet the target)," he told reporters Tuesday. Syed Alwi said the bank would be introducing new products and initiatives in line with the Agriculture and Agro-based Industry Ministry's objectives, especially in addressing key issues in the agricultural sector.

Local FD Market, Least Volatile, Says Aberdeen

KUALA LUMPUR -- Malaysia's fixed deposit (FD) market is the least volatile and is very conducive for fund managers to construct multi-assets portfolio, said global investment company, Aberdeen Standard Investments. Aberdeen Asset Management Asia Ltd Investment Director Dongyue Zhang said many portfolios described as 'diversified' or 'multi-asset' were in fact restricted to a traditional mix of bonds, equities and/or real estate. "Malaysia's FDs have low volatility and would generate good returns over the long-run," he told a panel discussion on the sidelines of the Investment Conference 2018 here Wednesday. Zhang said constructing the right portfolio entailed mixing fixed deposits and fixed income on a tactical basis, and "this is something that Aberdeen is looking at now among other multi-assets.

AmEquities Website And App Get Fresh Look

KUALA LUMPUR -- AmBank Group (AmBank) launched its redesigned share trading website, www.amequities.com.my, Wednesday. It can be accessed via the AmEquities app, which is available for both iOS and Android users, allowing digitally-savvy customers to manage their investments anytime and anywhere. "Rich in functionalities, it includes a 'first-in-market' push notification for corporate action based on the customer's portfolio and watch list," said AmBank group chief executive officer, Datuk Sulaiman Mohd Tahir, at the launching ceremony in Bangunan AmBank Group. "We hope to attract the millennials who are fast emerging as a new generation of investors," he added. In the upcoming second phase, the AmEquities platform will have a 'live chat' feature which will allow for immediate response from the helpdesk.

ACMF Launches Professional Mobility Framework For ASEAN Investors

KUALA LUMPUR -- The ASEAN Capital Markets Forum (ACMF) has launched a professional mobility framework to facilitate cross-border movement of investment advisers, allowing ASEAN investors greater access to professional services. The ACMF said the first phase of the framework was the introduction of 'ACMF Pass' which would allow licensed professionals to provide advisory services within participating ASEAN jurisdictions, with fast-track registration and no additional licensing requirements. "Malaysia, the Philippines, Singapore and Thailand are the first countries to participate in this initiative, to be followed by other ASEAN countries in due course," the ACMF, a high-level grouping of capital market regulators from all 10 ASEAN member states, said in a statement Thursday. The four regulators signed a Memorandum of Understanding at the second ASEAN Capital Market Conference in Singapore Thursday.

InvestSmart Fest 2018 Promotes Financial Empowerment

KUALA LUMPUR -- Equipping Malaysians with basic financial planning knowledge is the aim of the Securities Commission (SC) with InvestSmart Fest 2018. Being held at the Kuala Lumpur Convention Centre till Oct 14, it was officiated today by Youth and Sports Minister, Syed Saddiq Syed Abdul Rahman, Friday. The event is a showcase of products and services offered in the capital markets including shares, unit trusts and private retirement schemes. Members of the public are encouraged to engage with the SC, intermediaries, government agencies and relevant associations to learn more about the investing opportunities. "Many registered financial planners (RFP) are participating in #FinPlan4u, a financial planning service desk where visitors can obtain complimentary assessment of their financial status and learn to better manage their savings and investment," said Malaysian Financial Planning Council (MFPC) president, Michael Kok Fook On.

Mercedes-Benz Malaysia Set For Another Year Of Record Sales

KUALA LUMPUR -- Mercedes-Benz Malaysia Sdn Bhd is on track to exceed last year's all-time high sales of 12,045 luxury vehicles, having delivered 10,143 premium cars in the first nine months of 2018. Vice-President of Sales and Marketing, Mark Raine, said the year-to-date figure was a 16 per cent increase over sales in the same period last year and represented a market share of 2.5 per cent -- an improvement of 0.2 percentage point year-on-year.

According to him, Mercedes-Benz Malaysia's sales will be fortified further with six new premium Mercedes-Benz models slated to be launched by year-end, including three high-performance sport utility vehicles (SUVs), one compact car, one limousine and a Dream Car. "We are on track for another record year in 2018 and are very confident of surpassing last year's sales with the new line-up," he said during a media briefing on Mercedes-Benz Malaysia's third quarter (Q3) 2018 performance here Monday.

Johor Hopes To Attract More Investments Next Year

JOHOR BAHRU -- The Johor state government expects to attract more investors to the state next year, with investments worth more than RM5 billion. State International Trade, Investment and Utilities Committee Chairman Jimmy Puah said the target is based on the amount of direct investments in 2017 which reached RM5 billion, as well as the state government's continuous effort to attract investors.

"I have visited China, Taiwan and Singapore recently and next month I will be going with the International Trade and Industry Minister to Japan, South Korea, Indonesia, Europe and India to attract investments to Johor, especially for the halal sector," he told reporters after officiating the state-level Malaysia World Post Day celebration here Tuesday. Puah said though the year had been a little challenging due to the "wait and see" sentiment among investors following the 14th general election and the ongoing trade war between the two economic giants - the United States and China, Johor remained active in its effort to attract new investors.

MAHB Records 2.0 Pct Passenger Growth In September 2018

KUALA LUMPUR -- Malaysia Airports Holdings Bhd's (MAHB) network of airports recorded 10.8 million passenger movements in September 2018, a two per cent year-on-year (y-o-y) growth. In a filing with Bursa Malaysia Wednesday, MAHB said international traffic increased by 2.1 per cent y-oy to 5.1 million passengers, while domestic traffic grew 2.0 per cent y-o-y to 5.7 million. On a last 12-month basis, the MAHB network of airports registered a total growth of 4.9 per cent with 132.3 million passengers, the highest traffic handled over a 12-month period.

Airports in Malaysia recorded a 1.3 per cent y-o-y growth during the month with 7.7 million passengers. The international sector increased by 0.9 per cent y-o-y with four million passengers while the domestic sector grew by 1.6 per cent y-o-y with 3.8 million passengers.

LPI's Profit Slips On Weaker Demand For General Insurance

KUALA LUMPUR -- LPI Capital Bhd's (LPI) net profit for the third quarter (Q3) ended Sept 30, 2018, fell marginally to RM91.81 million from RM92.17 million a year earlier against a challenging economic backdrop that affected the demand for general insurance. In a filing with Bursa Malaysia Wednesday, the insurer said revenue eased four per cent year-on-year to RM390.59 million, mainly driven by a 5.5 per cent or RM20.9 million decline in gross earned premium from its general insurance segment. Founder and Chairman Tan Sri Dr Teh Hong Piow said 2018 remained challenging for the general insurance industry as the global economic condition remained volatile, affecting the economic prospects of the emerging markets. "On the domestic front, the property market has not recovered from its oversupply and weak demand position while major infrastructure projects have been under review, affecting the demand for general insurance.

"As a result, the general insurance industry reported a mere 0.7 per cent growth in its gross written premium for the first six months of 2018," he said.

Proton X70 Likely To Enter Thai, Indonesian Markets

PETALING JAYA -- National car manufacturer, Proton Holdings Bhd, is developing Thai and Indonesian voice commands for its first sport-utility vehicle (SUV), X70, hinting that these two countries are likely to be among the first export destinations for the vehicle. Declining to reveal details on Proton's export plans, Sales and Marketing Vice-President Abdul Rashid Musa said the company also obtained the rights for right-hand drive (RHD) technology development and production from its Chinese strategic partner Zheijang Geely Holding Group Co Ltd (Geely).

He said this was in line with the agreement inked between DRB-Hicom Bhd and Geely whereby Malaysia would be the Chinese auto-maker's regional hub for RHD technology. "Malaysia will be the hub (for RHD) because Geely Group only produces left-hand drive cars," he told reporters after a second media preview of Proton X70 here Thursday.

Top Glove Posts Higher Profits, Pursuing Strategic Expansion

KUALA LUMPUR -- Top Glove Corporation Bhd, which recorded commendable financial results in 2018, will continue to pursue strategic expansion to ensure it is well-positioned to meet the robust global demand for gloves and achieve its ambitious Fortune Global 500 dream. Executive Chairman Tan Sri Dr Lim Wee Chai said the expansion of several existing facilities: F32 (Phases 1 & 2 to be completed early and end 2019 respectively), F33 (to be completed early 2019) and F5A (to be completed end 2019) were currently in progress.

Meanwhile, its newest factory, F8A, in Thailand, was scheduled to be operational early 2020. "These will boost the group's total number of production lines by an additional 98 lines and production capacity by 9.8 billion gloves per annum. "By 2020, Top Glove is projected to have 746 production lines and a production capacity of 69.1 billion gloves per annum," he said in a statement Thursday.

Pasdec Unit Bags RM380 Mln Contract From Nissan South Africa

KUALA LUMPUR -- Pasdec Holdings Bhd's indirect subsidiary, Pasdec Automotive Technologies (Botswana) (Pty) Ltd, has secured a RM380 milion contract from Nissan South Africa (Pty) Ltd. Pasdec said the seven-year contact was to manufacture and supply electrical wiring harness sets for Nissan South Africa's 3G-200 H60A vehicles. "This contract will begin in June 2019 and is expected to contribute positively to the revenue and earnings of the group over the period of the contract," it said in a filing with Bursa Malaysia Thursday.

August Wholesale, Retail Trade Sales Value Hits RM107.9 Bln

KUALA LUMPUR -- Malaysia's wholesale and retail trade sales value in August 2018 increased 10.7 per cent year-on-year to RM107.9 billion, says the Department of Statistics. In a statement Friday, Chief Statistician Datuk Seri Dr Mohd Uzir Mahidin attributed the expansion to retail trade, which increased 14.8 per cent, mainly in sales in specialised stores, sales in non-specialised stores and sales of information and communication equipment in specialised stores, in line with the increase in spending by consumers in conjunction with the tax holiday.

"Sales of motor vehicles grew 10.6 per cent within the same period mainly due to the zero-rated implementation of the Goods and Services Tax before the reintroduction of the Sales and Services Tax on Sept 1, 2018," he said.

Gobind Singh To Meet Telcos Soon Over Newly-Announced Broadband Packages

KUALA LUMPUR -- Communications and Multimedia Minister Gobind Singh Deo said Monday he will meet telco representatives soon over the newly-announced broadband packages to ensure they actually benefit subscribers. He said he scrutinised the new packages stated in the statement of the Malaysian Communications and Multimedia Commission (MCMC) Sunday and found that the subscriptions of existing clients have not been reduced. "This means they cannot benefit from the new packages immediately," he said in a post on his Facebook account.

Standard & Poor's Upbeat On Malaysia's Prospects

KUALA LUMPUR -- Standard & Poor's Rating Services is upbeat of Malaysia's prospects and a rating upgrade is possible if the country can improve total revenue to gross domestic product (GDP) ratio. Tan Kim Eng Senior Director of Sovereign and International Public Finance Ratings for Asia Pacific suggested Tuesday, that the government improve its total revenue as a percentage of GDP as the current revenue base was relatively small.

MAI Receives Two Proposals On Third National Car Project

SHAH ALAM -- Two automotive industry players have submitted proposals on the third national car project so far, the Malaysia Automotive Institute (MAI) said. Chief Executive Officer Datuk Madani Sahari told reporters Tuesday, the agency would, however, wait till next Monday for all the proposals to be submitted before studying them.

Govt Not Sole Decision-Maker In Determining Toll Rates

KUALA LUMPUR -- The government is not the sole decision-maker in whether toll rates should be reduced or maintained as it also depended on the stakeholders, says Khazanah Nasional Bhd Managing Director Datuk Shahril Ridza Ridzuan. He pointed out on Tuesday, no government can make such a move and breach the contract with toll concessionaires. "They will not simply dishonour the contract. No government can break those contract," said Shahril Ridza.

MITI To Improve Investment Incentives

KUALA LUMPUR -- The Ministry of International Trade and Industry (MITI) is looking to improve investment incentives that would give win-win results for both the investors and nation, says Minister Datuk Darell Leiking. He said the government was expected to announce these incentives in the tabling of the upcoming Budget 2019 on Nov 2. "We must review some of the investment incentives but it must be affordable for us and good for the investors," he told reporters Tuesday.

Govt To Reduce Direct Equity Ownership In Companies

KUALA LUMPUR -- Finance Minister Lim Guan Eng said the government will reduce its direct participation in the equity ownership in companies and let the private sector take the lead in the economy. He said Tuesday, the new government believed in the dictum that "the business of the government is not to be in business" and as such, the coming years would see a slew of programmes designed in part to unleash the full potential of the private sector.

Nestlé Invests RM100 Mln To Establish World's Biggest Milo Factory In Chembong

KUALA LUMPUR -- Nestlé (Malaysia) Bhd will invest over RM100 million to expand its MILO factory in Chembong, Negeri Sembilan, subsequently establishing the factory as the world's largest MILO manufacturing centre of excellence. In a statement Tuesday, Nestlé Malaysia said to facilitate this, it would be moving all existing MILO manufacturing operations from its Petaling Jaya factory to consolidate and expand MILO production at the Chembong factory.

MMC Gamuda Hopes To Be Part Of MRT2 Contract Review Process

KUALA LUMPUR -- MMC Gamuda KVMRT (T) Sdn Bhd (MMC Gamuda) hopes the government will invite the company back to the negotiation table as part of the MRT 2 Underground Contract review process. MMC Gamuda said in a statement Wednesday, if invited back, it would adopt an open book approach with the appointment of an international engineering consulting firm that possessed the necessary experience and track record in assessing tunnelling works around the world.

Proton To Bring In RM170 Mln Investment Via Vendor Agreements

TANJUNG MALIM -- Proton Holdings Bhd expects to help bring in an initial investment of RM170 million into the country through collaboration agreements signed between its vendors and their overseas counterparts. Proton Chairman Datuk Seri Syed Faisal Albar said Wednesday, the first batch of agreements, inked Wednesday by 14 local and foreign vendors, ranged in scope from joint ventures to technical assistance for the local production of the newly-introduced Proton X70 sport utility vehicle (SUV).

Companies Urged To Be Aware Of Evolving Risks
KUALA LUMPUR -- Companies should be aware of evolving and emerging risks following the changing global economic and political landscape to manage their enterprises and to mitigate losses. Marsh Insurance Broker (Malaysia) Sdn Bhd (Marsh) Managing Director/Deputy Chief Executive Officer, Sean Chou told reporters Wednesday, managers needed to be more aware of the new risks that come with the adoption of new technologies and new emerging economies.

MITI Formulating Strategy To Boost Sarawak's Timber Industry
MIRI -- The Ministry of International Trade and Industry (MITI) is formulating a strategy to further promote the growth of timber-related industry in Sibu. Its Deputy Minister, Dr Ong Kian Ming told reporters Wednesday, based on the feedback received during MITI's outreach programme with industry players in Sibu recently, there was a need to find new ways to further strengthen the timber industry, especially its downstream activities.

Govt Mulls Private Sector Involvement In Airport Projects
LANGKAWI -- The government is in the midst of renegotiating the operating agreement with Malaysia Airports Holdings Bhd (MAHB) to include the private sector's participation in airport expansion projects in the country. Transport Minister Anthony Loke Siew Fook Thursday said that the private sector's involvement could provide the solution to the issue of getting funds for airport expansion projects without giving an additional burden to the government.

Malaysia's IPI Rises 2.2 Pct In August 2018
KUALA LUMPUR -- Malaysia's Industrial Production Index (IPI) increased by 2.2 per cent in August 2018 as compared with the same month last year, the Statistics Department says. In a statement Thursday, Chief Statistician Datuk Seri Dr Mohd Uzir Mahidin said the growth was supported by an increase in the manufacturing index (4.3 per cent) and electricity index (4.0 per cent), while the mining index recorded a decline of 4.6 per cent.

Sabah, Sarawak To Jointly Develop Automotive Industry
KUCHING -- Sabah wants to collaborate with Sarawak in developing the automotive industry, said Chief Minister Datuk Seri Mohd Shafie Afdal. He said the Sabah government has held several meetings with local automotive operators in the state with the possibility of developing the sector. "Currently, spare parts plants have been developed in Kota Kinabalu, Sabah, and I hope some important components can also be built in Sarawak," he said Friday. Mohd Shafie also said joint collaboration to develop the automotive industry was feasible as the two Borneo states had the human capital expertise.

Sarawak Trade Office In Singapore To Start Operating On Jan 1
KUCHING -- Sarawak will set up three regional trade offices, including in Singapore, next year as a liaison between the state's exporters and the international business community. Chief Minister Datuk Patinggi Abang Johari Tun Openg said Friday, the Singapore trade office would start operating on January 1 next year, and followed by another two trade offices in Bandar Seri Begawan, Brunei and Pontianak, West Kalimantan in Indonesia. "So Sarawak will have our own 'trade diplomats' and our civil servants will be sent there to man these trade offices, which are meant for investors, manufacturing and tourism sectors," he said, adding that among the facilities provided were conference and meeting rooms.

Govt Drawing Up Plans To Lower Youth Unemployment
KUALA LUMPUR -- The government is drawing up a plan to reduce the unemployment rate among youths to single digit from 10.8 per cent recorded last year, said Youth and Sports Minister Syed Saddiq Syed Abdul Rahman. He said more emphasis would be given to increasing financial literacy and planning among youths as about 47 per cent were faced with high credit card debt issues. "Technical and Vocational Education and Training (TVET) programmes is also an important element to be incorporated into the plan. "We need to inculcate an 'investing culture', even if it only involves a small amount of money. The ministry plans to collaborate with the Securities Commission and corporate players to encourage youths to invest in the market," he told reporters Friday.

SAP Opens Southeast Asia's First SDC In KL

KUALA LUMPUR -- Global enterprise applications software leader, SAP, has opened a solution delivery centre (SDC) in Kuala Lumpur, its first SDC in Southeast Asia (SEA), aimed at improving its service delivery to large enterprises throughout the region. This SDC is the company's 19th in the world and is expected to increase cost-effectiveness and scalable service delivery while addressing customer proximity for enterprises employing SAP technologies within SEA, it said in a joint statement Monday.

No Discussions On Hiring Foreigners On Khazanah Board- Azmin

KUALA LUMPUR -- The board of directors of Khazanah Nasional Bhd have not discussed getting a foreigner on the board, says Datuk Seri Mohamed Azmin Ali. Mohamed Azmin, who is a board member of Khazanah, said the first board meeting held last month discussed having strong representation and a professional team familiar with the issues to run and manage the board. "No discussion about that (hiring a foreigner on the board)," he told reporters Monday.

Eleven Candidates Running For FGV CEO Position

KUALA LUMPUR -- Eleven candidates are in the running for the position of FGV Holdings Bhd Chief Executive Officer (CEO), said Chairman Datuk Wira Azhar Abdul Hamid. However, only two were from within the company, he told reporters on the sidelines of the Malaysia: A New Dawn investors' conference here Tuesday. "The appointment is important and we need someone to lead the operations fast. We hope to announce it (the appointment) soon," he added.

MATRADE To Mount Special Exports Acceleration Mission To Yiwu

KUALA LUMPUR -- The Malaysia External Trade Development Corporation (MATRADE), in collaboration with the Yiwu Commerce Bureau, will mount a special Exports Acceleration Mission (EAM) to Yiwu, China, from Nov 11-13, 2018. In a statement Tuesday, MATRADE said the mission was in conjunction with the establishment of the Malaysia Buyer Service Centre in Yiwu.

SIBEC 2018 To Focus On Sarawak's Strategic Sectors

KUCHING -- Sarawak Business Federal (SBF) will host the 2018 Sarawak International Business Exhibition and Conference (SIBEC 2018) focusing on sectors strategic to Sarawak in its drive to transform the state into a high-income and developed economy by 2030. SIBEC 2018, to be held on Oct 12-13 at Borneo Convention Centre Kuching (BCCK), will gather 23 of the best speakers from Malaysia, China, the Philippines, France, Taiwan, Australia, and the USA. SBF President Datuk Abang Abdul Karim Abang Openg told reporters Tuesday, they will speak on how to help a broad range of businesspeople, from entrepreneurs and startups to established operators.

TDA Has Implemented Programmes Worth US$18 Bln, Says CEO

KUALA LUMPUR -- The Malaysian government has successfully implemented programmes under the Technology Depository Agency (TDA) - Malaysia Offset Authority worth US$18 billion. TDA Chief Executive Officer Datuk Zailani Safari said in a statement Tuesday, the agency is currently managing 89 programmes under the Industrial Cooperation Programme (ICP) and 396 ICP projects worth US$18 billion in the region.

C&C Director Syed Zaid Resigns To Take Up Appointment As SC Chairman

KUALA LUMPUR -- Datuk Syed Zaid Syed Jaafar Albar has resigned as director of Cycle & Carriage Bintang Bhd, effective Oct 8, 2018. In a filing with Bursa Malaysia Wednesday, the company said Syed Zaid resigned to take up the appointment as Chairman of the Securities Commission (SC) effective Nov 1, 2018. Syed Zaid would replace Tan Sri Ranjit Ajit Singh, who was appointed SC chairman on April 1, 2012.

Malaysia Airlines Announces MHexplorer For Students

KUALA LUMPUR -- Malaysia Airlines has become the first airline in the world to offer a fully digitalised student travel programme called MHexplorer, making it convenient to manage and plan their own trips. In a statement Wednesday, it said through this programme, students get to enjoy up to 20 per cent fare discounts all year round, with additional 10kg baggage allowance for all classes, one complimentary travel date change, special friends and family promotions and Enrich miles.

CIMB Bank Wins Digital Transformer Of The Year Award

KUALA LUMPUR -- CIMB Bank Bhd recently bagged the 2018 Digital Transformer of the Year award at the IDC DX Summit and Awards 2018 Malaysia. IDC DX recognises organisations that have significantly disrupted the market or have transformed it using digital and disruptive technologies. Axiata Digital eCode Sdn Bhd, KPJ Healthcare Bhd, Hong Leong Bank Bhd, Companies Commission of Malaysia, Air Asia Group Bhd and Astro Malaysia Holdings Bhd won the Digital Disruptor, DX Leader, Omni Experience Innovator, Information Visionary, Operating Model Master and Talent Accelerator awards respectively, it said in a statement Wednesday.

Is Penang's Property Market Finally Cooling?

By Kenny Teng Khoon Hock

Low-cost and low medium-cost as well as affordably-priced housing units are very much sought after. More public housing programmes are being planned to cater for this demand including in Penang.

GEORGE TOWN (Bernama) -- The property market in Penang is known to be among the most expensive in the country, with prices having soared over the years despite various cooling measures implemented by the authorities. Recently, there have been signs of property prices stabilising and the state has even reported property overhang. Since 2014, the Penang government has stepped up the development of affordable housing projects and has also imposed various measures in its attempts to keep property prices under control.

Among the locations in Penang considered as prime are Gurney Drive, Tanjong Tokong and Batu Ferringhi, where properties are beyond the reach of the local people as most of them are priced at above RM800 per square foot. Factors that have contributed to the rise of Penang property prices include speculation, shortage of land on the island, increase in the cost of building materials and an influx of foreign buyers which is partly due to the weak ringgit. State Housing, Town and Country Planning, and Local Government Committee chairman Jagdeep Singh Deo said since 2014 the state government has implemented various cooling measures to contain the property prices, which have gone up exorbitantly since 2008.

"We need the measures to cool the market. In fact. from 2008 to 2016, Penang property prices have, on average, jumped up 80 percent," he told Bernama, here, in an interview.

MORATORIUM

Among the measures implemented by the state government is the moratorium on the sale of houses. For low-cost and low medium-cost houses, the moratorium is 10 years, whereby the owners cannot sell their units within 10 years of purchase. The moratorium on the sale of affordable homes costing below RM300,000 is five years. As for the higher-priced houses, the buyers cannot sell their property within three years of purchase or else they will be deemed to be speculators and will need to pay a two percent approval fee. "For foreign buyers, the state has imposed a few conditions. On Penang island, for instance, they cannot purchase landed properties priced at less than RM3 million and high-rise residential units costing less than RM1 million. On the mainland, they cannot buy landed properties less than RM1 million and high-rise units less than RM500,000.

"On top of that, foreign buyers are also subjected to a three percent approval fee," Jagdeep Singh explained.

He said since 2008, the Penang government and private-sector developers have completed 28,950 low-cost and low medium-cost units and affordably-priced units costing below RM300,000. "These projects covered all the five districts in Penang," he said, adding that upcoming projects involving 22,065 units in the three categories are now under construction while the state has also approved the building of another 32,212 similar units.

PROPERTY OVERHANG

Following the various cooling measures implemented by the state government, there have been signs that Penang's property prices have stabilised. However, the authorities and developers are now facing another problem, namely property overhang which refers to built properties that have obtained the certificate of completion and compliance but have remained unsold.

According to the National Property Information Centre, Penang had the highest number of overhang units in Malaysia for 2017 with 4,903 units.

-- BERNAMA