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WEEKLY BUSINESS ROUNDUP MAY 23 - 27 2016
May 27, 2016

This Week's Highlight :
Current Interest Rates Conducive To Country's Growth - BNM

Bank Negara Governor Datuk Muhamad Ibrahim (2nd, right) exchanging handshake with AmBank Group Chairman Tan Sri Azman Hashim (left) after opening the 20th Malaysian Banking Summit in Kuala Lumpur Thursday. Also present ASLI Chief Executive Officer Tan Sri Michael Yeoh (second, left) and ASLI Adviser Tan Sri Ramon Navaratnam (right). Pix Dusa Abas fotoBERNAMA

KUALA LUMPUR -- Bank Negara Malaysia decided to maintain the interest rates at the current level of 3.25 per cent as it is appropriate and conducive to the country's economic growth, says Governor Datuk Muhammad Ibrahim. "It is very important that the banking industry remains liquid in order to finance the economy," the newly-appointed governor told reporters after opening the 20th Malaysian Banking Summit here Thursday.

This Week's Top Stories

MONDAY

M'sian Diaspora Should Promote Malaysia - Mustapa

From Tengku Noor Shamsiah Tengku Abdullah

MEXICO CITY -- The Malaysian diaspora should play their role in promoting Malaysia abroad to ensure the country continues to enjoy peace, stability and prosperity, says Minister of International Trade and Industry Datuk Seri Mustapa Mohamad. "There are people who are trying to run down our country, but the fact is that we have gone through a lot of transformation and nobody can imagine that Malaysia will be where we are today. This is because of education, development, and the sacrifice of our leaders, he said at an event he hosted for Malaysians residing here recently.

TUESDAY

Malaysia Looks To Enhance Trade, Investment Ties With Chile

From Tengku Noor Shamsiah Tengku Abdullah

SANTIAGO -- Trade and investment ties between Malaysia and Chile are set to be further enhanced with the start of a 'Seminar on Business Opportunities with Malaysia' organised by the Malaysian External Trade and Development Cooperation (MATRADE) here Tuesday. Sharing Malaysia's success in managing its economy, Matrade Senior Director, Strategic Planning, Wan Latiff Wan Musa called on the Chilean business community to leverage on the existing Free Trade Agreement (FTA), signed between the two countries in 2012.

WEDNESDAY

Azman May Consider Raising Stake In AmBank

KUALA LUMPUR -- AMMB Holdings Bhd (AmBank Group) Chairman Tan Sri Azman Hashim said increasing his stake in the bank was an option if ANZ Banking Group decides to sell its shares. "I am just looking at the options. If they sell, then it is one to consider," he told reporters on the sidelines of the 20th Malaysian Banking Summit, here Wednesday.

THURSDAY

Govt Raises 2016 KPI Target For Bumiputera Empowerment Agenda

KUALA LUMPUR -- The government has decided to raise the key performance indicator (KPI) target for the Bumiputera Empowerment Agenda (BEA) for Government-Linked Investment Companies (GLICs) and top 20 Government-Linked Companies (G20) in 2016, the prime minister says. The enhancement is based on the success achieved since the BEA programme was introduced in 2014, Datuk Seri Najib Tun Razak told reporters after chairing a meeting of the Bumiputera Economic Council here Thursday.

FRIDAY

Petronas Chemicals Remains Profitable, Projects On Track

KUALA LUMPUR -- Petronas Chemicals Group Bhd (PCG) remains profitable despite the challenging environment while its projects are all progressing as planned, says Managing Director and Chief Executive Officer Datuk Sazali Hamzah."We have intensified our focus on operational expenditure optimisation and reprioritised our capital expenditure spending in navigating through this tough time," he said at the PCG-Media Meet & Greet 2016 Thursday night.

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SMEbrief

CIMB And CGC Sign MoU Worth RM750 Mln For SMEs

KUALA LUMPUR -- CIMB Bank Bhd and Credit Guarantee Corporation Malaysia Bhd (CGC) have signed a memorandum of understanding (MoU) to add another RM750 million to the existing RM250 million Enterprise Clean Loan (ECL), as part of a joint initiative to nurture and develop Malaysian Small and Medium Enterprises (SMEs). The agreement is for three years and the first tranche worth RM100 million, is expected to be fully disbursed in the next three months, said CIMB Group Chief Executive Officer of Group Consumer Banking, Renzo Viegas after the MoU signing ceremony here Monday.

Terengganu SME Week Attracts RM15.2 Mln Sales

KUALA TERENGGANU -- The state-level Small and Medium Enterprise (SME) Week 2016 here beginning on May 19 has recorded potential sales of RM15.2 million through business matching sessions with several prominent supermarket chains including Giant, Sabasun and Mydin. SME Corp Chief Executive Datuk Dr Hafsah Hashim said Monday, the value is more than double the earlier target of RM5.6 million. "The SMEs recorded sales of RM300,000, higher than the earlier target of RM200,000."

Youth@Millionaire Scheme Helps Students Understand Business Planning

KUALA LUMPUR -- The Youth@Millionaire programme held in conjunction with SME Week 2016 could help promote the culture of entrepreneurship among tertiary students and help them better understand business planning, said the participants. Norfaiziatul Liyana Mohamad, a fashion student from Selayang Community College said Thursday, the programme's content, delivered in business plan mode, could spur creative thinking and innovation besides giving insights on how to face future challenges.

Community Hidayah To Distribute Sai Cherry IT Products

LABUAN -- Community Hidayah (Labuan) Limited has inked a Memorandum of Understanding (MoU) with an information technology (IT) firm, Sai Cherry Sdn Bhd, to distribute locally-assembled IT products. Community Hidayah Chairman Suwardi Zainuddin said Thursday, the MoU would pave the way for long-term distribution of Sai Cherry's products such as handphones, laptops, tablets and hearing aids to Asean countries.

PropUP Property update

SP UEM Sunrise Strengthening Fundamentals To Steer Growth

KUALA LUMPUR -- UEM Sunrise Bhd will focus on strengthening its fundamentals to steer growth, amid the challenging property market this year. Executive Director Datuk Izzaddin Idris said Monday, the company had outlined some key priorities to focus on this year among them -- establishing a comprehensive marketing strategy, intensifying systems and processes to ensure timely and quality delivery to build its reputation as a value-driven developer.

IGB Still Reviewing Renaissance Hotel Sale

KUALA LUMPUR -- Property developer, IGB Corporation Bhd (IGB) is still reviewing the offer for the sale of the Renaissance Hotel and will make an announcement to Bursa Malaysia once confirmed. "We are still reviewing the offer from the said company and the sale has not been yet confirmed," IGB Corp Managing Director Datuk Seri Robert Tan Chung Meng told a media briefing Tuesday.

TRC Synergy Eyes 20-30 Pct Revenue From Property Segment

KUALA LUMPUR -- TRC Synergy Bhd expects a rise in revenue contribution of between 20-30 per cent from its property development segment within two years. Executive Director Datuk Abdul Aziz Mohamad said Tuesday, currently its construction arm, Trans Resources Corporation Sdn Bhd, contributed 90 per cent to revenue. Property development arm, TRC Land, contrbutes the rest.

PKNS Infra Completes First Property Project On Malay Reserve Land

KLANG -- PKNS Infra Bhd, a wholly-owned subsidiary of Selangor State Development Corporation (PKNS), has built 22 units of double-storey houses in Taman Desa Kencana, Bukit Kapar, here. PKNS Infra Chief Executive Officer, Mohd Zain Sarman said Wednesday, the housing project on a 1.04-hectare site was the company's first development project on Malay reserve land.

Seri Labuan Residents To Get Bigger, New Homes

KUALA LUMPUR -- Seri Labuan Public Housing residents here are heaving a sigh of relief as the government has agreed to redevelop the housing and eventually turn it into bigger units. Federal Territories Minister Datuk Seri Tengku Adnan Tengku Mansor said Tuesday, the redevelopment project involving 640 units would be implemented on the old football field at Plot 55121 of Jalan Budiman, with its built up size of not less than 800 square feet.

LIFESTYLE & YOUTH BERNAMA

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Scoreboard

Gainers - 403

Losers - 390

Not Traded - 598

Unchanged - 355

Value - 1937970891

Volume -18443657

BURSA: KLCI Closes Higher, Lifted By Gains In Petronas-Related Counters

KUALA LUMPUR -- Bursa Malaysia closed higher Friday, lifted by gains in Petronas-related counters and amid a recovery in global oil prices, dealers said. The benchmark FTSE Bursa Malaysia KLCI (FBM KLCI) rose 6.1 points to 1,637.19 after opening 0.02 of-a-point higher at 1,631.11. It hovered between 1,632.86 and 1,631.11 throughout the day. A dealer said Brent Crude surpassed the US$50 per barrel mark for the first time this year Thursday. Market breadth was positive with gainers outpacing losers 403 to 390 with 355 counters unchanged, 598 untraded and 58 suspended. Volume rose to 1.84 billion units worth RM1.94 billion from 1.47 billion units worth RM1.48 billion on Thursday. Main Market turnover rose to 1.16 billion shares worth RM1.81 billion from Thursday's 1.01 billion shares worth RM1.39 billion.

Exchange Rate
(Ringgit : Foreign Currency)

	Buying	Selling
USD	4.0780	4.0840
EUR	4.5588	4. 5671
GBP	5.9743	5. 9839
100 YEN	3.7171	3.7236
SGD	2.9647	2.9706

Source: Bank Negara Malaysia

FOREX: Ringgit Closes Almost Unchanged Against US Dollar

KUALA LUMPUR -- The ringgit closed almost unchanged against the US dollar Friday as global oil prices neared US$50 per barrel in supporting sentiment for the local note, dealers said. At 5 pm, the ringgit was quoted at 4.0780/0840 against the greenback from 4.0780/0850 on Thursday. The ringgit traded easier against a basket of other major currencies. It depreciated versus the Singapore dollar to 2.9647/9706 from Thursday's 2.9600/9659, slid against the yen to 3.7171/7236 from 3.7093/7167, and fell versus the euro to 4.5522/5671 from 4.5576/5670. The local unit, however, rose against the British pound to 5.9743/9839 from 5.9890/902.

Money-Market: Short-Term Rates Close Stable

KUALA LUMPUR -- Short-term interbank rates ended stable Friday on Bank Negara Malaysia's (BNM) intervention to reduce the liquidity surplus in the financial system. The liquidity surplus in the conventional system decreased to RM26.37 billion from RM30.71 billion earlier, while in the Islamic system, it fell to RM4.62 billion from RM9.25 billion, previously. BNM had earlier called for five tenders comprising two conventional tender, a repo tender, a Qard Tender-iRMA and a Commodity Murabahah Programme Tender. The central bank also conducted a conventional money market tender for RM23.5 billion and a Qard money market tender for RM4.6 billion, both for three-day money. The overnight Islamic reference rate stood at 3.20 per cent while the one-, two- and three-week rates were pegged at 3.31 per cent, 3.35 per cent and 3.40 per cent, respectively.

KLIBOR Futures End Untraded

KUALA LUMPUR -- The three-month Kuala Lumpur Interbank Offered Rate (KLIBOR) futures contract on Bursa Malaysia Derivatives ended untraded Friday. Spot month June 2016, July 2016, August 2016 and September 2016 were pegged at 96.35, respectively. Open interest was nil. At the 11 am fixing, the underlying three-month KLIBOR stood at 3.67 per cent.

KLCI Futures Close Higher

KUALA LUMPUR -- The FTSE Bursa Malaysia KLCI (FBM KLCI) futures contracts (FKLI) on Bursa Malaysia Derivatives closed higher Friday in line with the firmer cash market. Spot contract month May 2016 added two points to 1,634.5, June 2016 gained four points to 1,634.5, September 2016 bagged three points for 1,623.5 and December 2016 advanced five points to 1,613.5. Turnover fell to 24,329 lots from 34,495 lots yesterday, while open interest declined to 61,455 contracts from 76,887 contracts. The benchmark FBM KLCI closed 6.1 points higher at 1,637.19.

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EPF Records Income Of RM6.78 Bln For Q1 2016, Down 36.21 Pct

KUALA LUMPUR -- The Employees Provident Fund's (EPF) investment income fell by 36.21 per cent to RM6.78 billion for the first quarter (Q1) ended March 31, 2016 compared with RM10.63 billion in the same period last year, Chief Executive Officer Datuk Shahril Ridza Ridzuan said here Tuesday. He said the investment climate during the quarter was significantly different from the same quarter last year which benefited from better returns from global investments, particularly from developed equity markets, which compensated for the weak Bursa Malaysia.

Audit Pass Shows Firm Managed Well And Efficiently – TH

KANGAR -- The issuance of an audit pass certificate to Tabung Haji (TH) by the Auditor General for the year 2015 shows the company's governance, transparency and efficiency had attained good levels, says its Chief Operating Officer Datuk Adi Azuan Abdul Ghani. The audit was conducted throughout the year and the result was announced recently, he said here Wednesday, adding last year TH posted its best ever profits, showing the firm's indisputably good and efficient management.

Sell Products Online, LIAM Urges Insurance Firms

By Nurunnasihah Ahmad Rashid

KUALA LUMPUR -- The Life Insurance Association of Malaysia (LIAM) is urging insurance companies to sell their products via online platforms to drive the penetration rate to 75 per cent in 2020 from the current 56 per cent. LIAM president Toi See Jong expressed hope that the companies could establish their own platform by Jan 1, 2017. "We only have four years left and the gap between the rates is still big. Broadening the life insurance policy channels would allow various insurance segments to come in and increase the penetration rate as required," he told Bernama here Wednesday.

Bank Islam Denies Rumours About MD

KUALA LUMPUR -- Bank Islam Malaysia Bhd has denied rumours that its Managing Director Datuk Seri Zukri Samat would be replaced. Chairman Datuk Zamani Abdul Ghani said here Wednesday, the board had decided to renew Zukri's service contract and his re-appointment had been approved by Bank Negara Malaysia.

Bank Islam Cash-Out Service Expanded To Sabah, Sarawak

KUALA LUMPUR -- Petronas Dagangan Bhd (PDB), in collaboration with Bank Islam Malaysia Bhd (Bank Islam), Wednesday has expanded the cash-out service for Bank Islam Visa Debit Card-i holders to Petronas stations in Sabah and Sarawak, bringing the total number of stations offering the service nationwide to 286. The expansion of the service to Petronas stations in Sabah (53), Sarawak (79) and Labuan (three) will provide greater ease and more avenues for Bank Islam Visa Debit Card-i holders to make direct cash withdrawals at the counter in addition to Bank Islam branches and automated teller machines in those states.

BNM Concludes Investigation Into 1MDB

KUALA LUMPUR -- Bank Negara Malaysia (BNM) has concluded its investigation into 1Malaysia Development Bhd (1MDB) following the payment of a compound by the company, said Governor Datuk Muhammad Ibrahim. However, he stressed that the central bank would continue to cooperate on matters pertaining to 1MDB. "I read yesterday that 1MDB had paid the compound, and that concludes the investigation within Bank Negara Malaysia's rules and regulations and the law we administer," he told reporters here Thursday.

BSN To Grow Active Debit Card Users To 6 Mln

KUALA LUMPUR -- Bank Simpanan Nasional (BSN) aims to increase the number of its active debit card users to 6.0 million by year-end from 5.5 million currently, on the back of higher customer spending pattern. Vice President/Head of Card Business Department, Mohd Sofian Amirudin said here Thursday, the target was in line with the bank's effort to change customers' behaviour towards a cashless society.

No Change In Dividend Targets-EPF

By Christine Lim

KUALA LUMPUR -- The Employees Provident Fund (EPF) is not changing its target of achieving a real dividend of two per cent above inflation over a rolling three-year period in spite of the weak equity market. Chief Executive Officer Datuk Shahril Ridza Ridzuan said should the market improve, then the ability of the pension fund to generate higher returns would be better. "It is important to have a diversified portfolio of assets across multiple markets globally to account for individual risk in any one asset class or market," he told Bernama here Thursday.

EXIM Bank In MoU With Laos-Based JDB To Promote Business Ties

KUALA LUMPUR -- Export–Import Bank of Malaysia Bhd (EXIM Bank) has signed a Memorandum of Understanding (MoU) with the Joint Development Bank (JDB) of Lao PDR, aimed at strengthening cooperation in financing, guaranteeing and other financial mechanisms to support the capacity of both organisations. In a statement here Thursday, EXIM Bank said this collaboration is a good platform to intensify efforts and build up a highly competitive environment with strong business integrity in order to penetrate the global market.

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Boeing, VietJet Finalise Purchase Deal Worth US$11.3 Bln

KUALA LUMPUR -- VietJet Aviation Joint Stock Company and Boeing have finalised an order for one hundred 737 MAX 200 airplanes, valued at approximately US$11.3 billion (US$1=RM4.06) at current list prices. The agreement, the largest ever single commercial airplane purchase in Vietnam aviation, was witnessed by Tran Dai Quang, President of the Socialist Republic of Vietnam and the United States' President Barack Obama, said Boeing in a statement here Monday.

Two Additional Airbus A350s By 2018 For Malaysia Airlines

KUALA LUMPUR -- Malaysia Airlines Bhd (MAB) has exercised a 12-year lease agreement for an additional two new Airbus A350-900s with Air Lease Corporation (ALC), which will be delivered by 2018. The transaction is pursuant to the option provided under the existing lease agreement for four A350-900s signed by both parties in September last year, it said in a statement here Monday.

TH Heavy Engineering To Go Int'l This Year

KUALA LUMPUR -- TH Heavy Engineering Bhd plans to go international this year to ensure it remains profitable following continued challenges in the oil and gas industry due to lower oil prices. Chief Executive Officer Nusral Danir said here Monday, the Main Market-listed company is in discussions with several parties on potential offshore fabrication projects in Myanmar, Thailand and India.

69 Pct M'sian Businesses Looking To Review Benefits Strategy

KUALA LUMPUR -- About 69 per cent of Malaysian businesses are now looking to review their benefits strategy as part of efforts to increase their cost efficiency, said Mercer Malaysia Sdn Bhd. Its Chief Executive Officer Hasham Esmail Piperdy told reporters here Tuesday, most companies have been hit by the high increase in benefits costs, and they would rather spend on investing in other business operations and developments.

Proton To Re-launch Its Models In Chile This Saturday

From Tengku Noor Shamsiah Tengku Abdullah

SANTIAGO -- Proton Holdings Bhd is set to re-enter the Chilean market with the relaunch of its models here this Saturday after almost a two-decade hiatus. Malaysian Ambassador to Chile Datuk Dr Mohamad Rameez Yahaya said here Tuesday, Proton will bring 1,000 units of selected models into the market and expects to generate RM68 million in sales.

Mandatory For Containers On Vessels To Be Weighed Exactly Before Leaving Port

KUALA LUMPUR -- Containers on vessels leaving domestic ports are required to be weighed exactly at a weighing fee of RM5 per standard twenty-foot equivalent unit (TEU) and not follow the current practice of estimating their weight. This is to prevent ships from suffering structural failure due to excess container weight onboard as what happened to MSC Napoli in 2007 and feeder ship in Spanish port of Algeciras last year said Malaysia External Trade Development Corporation (MATRADE) Transport, Defence and Maintenance, Repair and Operations Unit Director, Md Silmi Abd Rahman here Tuesday.

MAS To MAB: Moratorium Extended To May 24, 2017

KUALA LUMPUR -- The Administrator of Malaysian Airline System Bhd (MAS) has received approval from its stakeholders to extend the current moratorium over the transition of MAS to Malaysia Airlines Bhd (MAB) for a further 12 months until May 24, 2017 to enable the remaining tasks to be completed. The Malaysian Airline System Bhd (Administration) Act 2015 (MAS Act) provides for the establishment of a new entity, Malaysia Airlines Bhd (MAB), with a new business model to replace MAS as the national carrier, as well as for an effective, efficient and seamless means to transition the business, property, rights, liabilities and affairs of MAS to MAB.

M'sia Invited To Join Standards & Metrology Institute For Islamic Countries

From Nor Baizura Basri

ISTANBUL -- Malaysia, which is recognised for spearheading global halal standards, has scored another first as it has been invited to join the board of directors of the Standards and Metrology Institute for Islamic Countries (SMIIC). SMIIC is an affiliated institution of the Organisation of Islamic Cooperation (OIC) which assumes an important role in harmonising standards among OIC countries especially those related to halal standards. Director-General, Department of Standards Malaysia, Datuk Fadilah Baharin said here

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Tuesday, Malaysia's involvement in the board was viewed as very important in assisting OIC countries in the harmonisation process.

266 Asean Youths Participate In ASC 2016

KUALA NERUS -- All Asean countries, except Brunei, have confirmed their participation in the six-day Asean Skills Competition (ASC) 2016 from September 23 at the Malaysia Agro Exposition Park Serdang, Selangor. Skills Development Department (eastern region) director Wan Fadzilah Wan Dagang said here Tuesday night, the competition involved 266 Asean youths, who will show their skills in 25 fields.

M'sia Airlines, Lufthansa Technik To Set Up MRO Facility

KUALA LUMPUR -- The newly established Malaysia Aviation Group Bhd has signed a terms of reference with Lufthansa Technik AG on a strategic partnership framework for a joint venture (JV) to establish a regional maintenance, repair and overhaul (MRO) facility. The MRO facility, planned for 2017, would be based at Malaysia Airlines' existing facilities at the Kuala Lumpur International Airport and service the Boeing 737 and Airbus A320 family of aircraft, said Malaysia Airlines in a statement here Wednesday.

One-Year-Old iflix To Go Live In Indonesia Next Month

By Nurul Hanis Izmir

KUALA LUMPUR -- iflix, Southeast Asia's Internet television service provider, which will turn one on Thursday, is set to go live in Indonesia next month. iflix Group Chief Operating Officer Azran Osman-Rani said here Thursday, the group sealed a partnership agreement recently with the country's largest telecommunication company (telco), Telekomunikasi Indonesia (Telkom).

e-Halal.Com To Generate RM300 Mln Turnover In 1st Year Of Operations

KUALA LUMPUR -- e-Halal.com, a comprehensive commerce directory portal supported by worldwide halal trustmark, is expected to generate RM300 million in turnover in its first year of operations. International Trade and Industry Minister Datuk Seri Mustapa Mohamed said the portal, an initiative by the Halal Industry Corporation (HDC), would be available in China, South Korea, Indonesia and Singapore. "The e-Halal mall will also help Malaysia establish itself as a halal hub for the e-commerce trade," he told reporters here Thursday.

Achieve High-Income Nation Status By Enhancing Staff Skill Sets - HRDF

KUALA LUMPUR -- The Human Resources Development Fund (HRDF) is optimistic that Malaysia can achieve high-income nation status by 2020 by enhancing employees skill sets in their respective working sectors. HRDF Chief Executive Officer Datuk CM Vignaesvaran Jeyandran said here Thursday, this is now possible through HRDF's 1Malaysia Globally Recognised Industry and Professional Certification (1MGRIP) programme.

MyCEB To Organise 2016 Malaysia Bid Challenge

KUALA LUMPUR -- Malaysia Convention & Exhibition Bureau (MyCEB), an agency under the Ministry of Tourism and Culture Malaysia, is set to pave the way to nurturing and developing future leaders in the business events industry by bringing to university students the "2016 Malaysia Bid Challenge". General Manager of Business Events Ho Yoke Ping said in a statement here Thursday, the challenge would also provide opportunities to engage with universities to further develop the business events industry in Malaysia.

SC Ranjit Honoured For Contributions To Islamic Capital Devt

KUALA LUMPUR -- Securities Commission Malaysia (SC) Chairman Datuk Seri Ranjit Ajit Singh received the "Outstanding Contribution for the Development of the Islamic Capital Markets by a Regulator" award at the 2016 London Sukuk Summit on May 25, 2016. In a statement here Friday, Ranjit said the award was a strong recognition of the leading role played by the SC, especially in advancing the development of the Islamic capital markets internationally.

M'sian Entrepreneurs Should Increase Participation In Thai F&B Industry

By Mohd Haikal Mohd Isa

BANGKOK -- Malaysian entrepreneurs should increase their participation in Thailand's food and beverage (F&B) industry which has a potential market value of 150 trillion baht (100 baht=RM11.45), annually. The Malaysian External Trade Development Corporation (MATRADE) Trade Commissioner in Bangkok Niqman Rafaee Mohd Sahar said here Friday, Malaysia's F&B exports to Thailand rose 14.9 per cent to RM1.02 billion in 2015.

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Maybank Extends RIS Programme To Sabah

KOTA KINABALU -- The Maybank Foundation Monday extended its Reach Independence and Sustainability (RIS) programme to Sabah. Chief executive officer Shahril Azuar Jimin said the programme is aimed at building the economic capabilities of 200 persons with disabilities (PWDs) in the state through a structured training and mentoring programme.

Proton Recalls Inspira, Selected Exora CPS 1.6 For Improvement

KUALA LUMPUR -- Proton Holdings Bhd (Proton) is recalling 20,330 units of Proton Inspira, a rebadged Mitusbishi model, for improvement. In a statement here Monday, the carmaker said this is in line with the move by Mitsubishi Motors Japan, which has recalled selected Mitsubishi models worldwide for defective right-turn indicator switches. "The recalled Proton Inspira units, manufactured between 2010 and 2014, are installed with the affected right-turn indicator switches supplied by Mitsubishi," it said.

Invest Selangor Launches New Website To Draw More Investors

SHAH ALAM -- Invest Selangor Bhd Tuesday launched its new website, www.investselangor.my as a platform to attract more foreign and local investors to the state. State Investment, Industry and Trade, Small and Medium Enterprises and Transportation Committee Chairman, Datuk Teng Chang Khim, said the website was aimed at promoting and introducing Selangor as the main investment destination in Malaysia.

AirAsia X To Offer KL-Mauritius Direct Flights From Oct 4

KUALA LUMPUR -- AirAsia X Bhd Tuesday announced Mauritius as the latest destination to its growing route network, offering direct flights from Kuala Lumpur three times a week. Chief Executive Officer Benyamin Ismail said in line with the announcement, the airline was offering a promotional all-in-fare from as low as RM299 one-way for standard seats and from RM999 one-way for premium flatbeds seats. The promotional fares are available for online booking from May 26 to June 5, for travel period from Oct 4 until May 22 next year.

Maybank Islamic Secures Four Awards

KUALA LUMPUR -- Maybank Islamic Bhd won four awards at The Asset Triple A Islamic Finance Awards 2016, held recently in Kuala Lumpur, on the back of a commendable profit growth, healthy return on equity and sustained leadership position in 2015. Maybank Islamic won the 'Bank of the Year, Asia Pacific', 'Bank of The Year for Malaysia and Singapore', 'Best Retail Bank for Malaysia and Singapore' and 'Best Trade Finance Bank in Malaysia' awards. Maybank Islamic said, in a statement here Wednesday, that the 'Bank of the Year', 'Best Retail Bank' and 'Best Trade Finance Bank' awards were bagged for the sixth consecutive year.

M'sia Bags Medical Travel Award For 2nd Year In A Row

KUALA LUMPUR -- Malaysia was proclaimed 'Medical Travel Destination of the Year' at the International Medical Travel Journal (IMTJ) Medical Travel Awards 2016 held in Madrid, Spain on May 24. Malaysia also won the same award at last year's awards ceremony, the Malaysian Healthcare Travel Council (MHTC) said in a statement here Wednesday.

Malindo Air Reinstates Daily Services On KLIA-Kota Bharu, Miri Routes

KUALA LUMPUR -- Malindo Air has reinstated services, between the Kuala Lumpur International Airport (KLIA)- Kota Bharu and Miri routes. Bookings are now open for the twice daily flights to Kota Bharu and once a day flight to Miri which will commence simultaneously on July 1, the airline said in a statement here Wednesday.

MAVCOM Issues Show Cause Letter With 14-Day Deadline To Rayani Air

KUALA LUMPUR -- The Malaysian Aviation Commission (MAVCOM) has issued a show cause letter with a 14-day deadline to Rayani Air, before the commission decides on the airline's fate. In a statement here Wednesday, MAVCOM said it would decide whether Rayani Air should be allowed to continue to hold the Air Service Licence (ASL) or have it revoked or suspended.

7-Eleven To Open 200 New Stores This Year

KUALA LUMPUR -- 7-Eleven Malaysia Sdn Bhd will spend between RM85 million and RM90 million as part of its expansion plan which include the opening of 200 new stores this year. In 2015, 7-Eleven Malaysia, the owner of the 7-Eleven brand, opened 199 new stores nationwide. Chief Executive Officer Gary Brown said here Thursday, this continuous expansion effort would see more outlets in the Klang Valley, the east coast, as well as Penang, Johor and Melaka.

INCEIF, OpenLearning Tie Up To Launch Islamic Finance Online Course

KUALA LUMPUR -- The Global University of Islamic Finance, INCEIF is collaborating with online learning platform, OpenLearning, to launch the "Introduction to Islamic Finance 1 Massive Open Online Course". The course aimed to develop human capital for the Malaysian and global Islamic finance industry and provide a foundation in Shariah principles that enables learners to comprehend the different aspects of Islamic finance, INCEIF and OpenLearning said in a joint statement here Friday.

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Taxing Online Businesses: Aye Or Nay?

Commentary by Azizul Ahmad

KUALA LUMPUR (Bernama) -- As the government mulls over the idea of taxing individuals engaged in digital or online businesses, there has been a split of opinion among lawmakers. While some believe that it will provide a level playing field for businesses across the board, others feel that it can actually dampen the growth of the digital economy.

Regardless of which side one chooses, the crux of the matter is how the move will eventually benefit the businesses, say tax experts. "If you rely only on online business as your source of income, you will enjoy several benefits of managing a registered business and remit taxes including access to funding," said Hernancres Tax Consultancy Sdn Bhd Director Desmond Anil.

It would make it easy for them to apply for loans and other funding facilities as tax documents are needed for the purpose, he told Bernama.

According to the Companies Commission of Malaysia, there are 34,159 registered online businesses as of April 30, 2016, and another 12,000 are expected to register by year-end.

OBLIGATIONS AS TAXPAYERS

Meanwhile, YYC & Co Tax Director Elaine Wong said it is pointless to argue about the matter as all income accrued in or derived from Malaysia is subject to the Malaysian income tax regime.

"Even if the online business only generates casual income or side income, it is still subject to taxes and the person ought to fulfil the obligations as a taxpayer in Malaysia," she pointed out. Malaysia External Trade Development Corporation Chief Executive Officer Datuk Dzulkifli Mahmud said a registered company would give more confidence to clients, as well as for branding purposes.

BRANDING PURPOSES...MATRADE Chief Executive Officer Datuk Dzulkifli Mahmud says a registered company would give more confidence to clients, as well as for branding purposes. Pix: Mahayudin Mohamad fotoBERNAMA

As businesses are subject to the rules and regulations in Malaysia and overseas markets, they are advised to adhere to them to avoid inconveniencing clients, he said.

"Business etiquette, such as adherence to quality standards, logistics, payment and after-sales service, is crucial to ensure business sustainability in the long run and credibility of the suppliers in creating value for money and meeting the expectations of the clients," said Dzulkifli.

SAME TREATMENT

The Inland Revenue Board (IRB) clarified that the implementation of income tax for online businesses will be treated in the same way as for conventional businesses.

It said according to Section 4 of the Income Tax Act 1967, tax will be imposed on business income after taking into account all expenditures allowable in business and tax relief claimable by the traders.

"For online businesses undertaken by an individual, their income tax will follow the individual tax rate starting from zero per cent up to 28 per cent (from year of assessment 2016).

"For online businesses carried out by companies, the income tax rate imposed is between 19 per cent and 24 per cent," it said.

Commenting on IRB's statement, Anil noted that it would be an uphill task for the tax collecting agency to track and impose tax on unregistered online businesses.

"Online businesses are mushrooming and it will be difficult to trace all of them," he added.

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Mengarusperdana Latihan Kemahiran

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Market Outlook

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Bursa Malaysia To Trend Upwards On Ringgit's Strength

By Mohd Khairi Idham Amran

KUALA LUMPUR -- Bursa Malaysia is expected to trend higher next week prompted by the ringgit's strength and upswing in global crude oil prices, an economist said.

Affin Hwang Investment Bank Vice-President and Retail Research Head Datuk Dr Nazri Khan Adam Khan said the local stock market received a boost in the recent week after Brent crude exceeded US$50 per barrel for the first time this year and the momentum was expected to continue next week.

He said the improvement also helped the ringgit recover lost ground to RM4.07 per US dollar from as low as RM4.13 on Tuesday. Nazri Khan said other developments that influenced the local stock market included the impending outcome from the seven major advanced economies (G7) meeting in Japan.

"There is expectation that the meeting will come out with a stimulus to support global economy," he told Bernama. For the week just-ended, the benchmark FTSE Bursa Malaysia KLCI (FBM KLCI) gained 8.4 points to 1,637.19, spurred by the appreciating ringgit and recovering oil prices.

On a week-to-week basis, the FBM Emas Index added 38.08 points to 11,447.8, the FBMT100 Index rose 42.32 points to 11,141.71 and the FBM Emas Shariah Index was 30.35 points higher at 11,960.37. On a sectoral basis, the Finance Index edged up 2.2 points to 14,250.52, the Plantation Index improved 29.91 points to 7,492.56 and the Industrial Index perked 42.91 points to 3,111.28. Weekly turnover increased to 8.51 billion units valued at RM8.39 billion from the previous week's 8.41 billion units valued at RM8.85 billion.

Main market volume rose to 5.61 billion units valued at RM7.89 billion versus 5.34 billion units worth RM8.23 billion recorded last week. Warrant turnover improved to 654.72 million units worth RM107.95 million against 628.75 million units valued at RM94.24 million reported previously. The ACE market slid to 2.23 billion shares valued at RM383.86 million from 2.42 billion shares worth RM530.19 million traded last week.

FOREX: Ringgit To Appreciate Further Next Week

KUALA LUMPUR -- The ringgit is likely to appreciate next week riding on the bullish sentiment of the local stock market, recovering commodity sector coupled with continued demand, economists said. Global oil prices, which have been on an uptrend the past week, would influence the ringgit's upward momentum, said IQI Group Chief Economist Shan Saeed.

"At present, the global benchmark crude oil price stood at US$49.48 per barrel and if it trades between US$50 per barrel and US$51 per barrel, the local note will likely appreciate further to between 3.75 and 3.80 next week," he told Bernama. Meanwhile, Dean of Business School

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at Malaysia University of Science and Technology Dr Yeah Kim Leng expected trading in the local currency to be confined within 3.90 and 4.00 against the US dollar.

Short Term Rates To Remain Steady On BNM Intervention

KUALA LUMPUR -- The Malaysian money market is likely to remain stable next week with Bank Negara Malaysia (BNM) continuing to intervene to manage surplus liquidity. The central bank is expected to conduct daily tenders to reduce excess liquidity from the financial market.

For the week just ended, BNM intervened on adaily basis to absorb excess funds by conducting several tenders -- conventional money market, Qard, Qard tender-iRMA, repo, reverse repo, range maturity auction and Commodity Murabahah Programmes.

On Friday, the central bank's action helped reduce the market's liquidity surplus in the conventional system to RM26.37 billion from RM30.71 billion earlier. The market liquidity in the Islamic system fell to RM4.62 billion from RM9.25 billion previously.

The overnight rate stood at 3.20 per cent while the one-, two- and three-week rates were at 3.31 per cent, 3.35 per cent and 3.40 per cent respectively throughout the week. Meanwhile, the benchmark three-month interbank rate was unchanged at 3.67 per cent.

KLCI Futures To Trade Higher On Positive Outlook

By Mohd Khairi Idham Amran

KUALA LUMPUR -- The FTSE Bursa Malaysia KLCI (FBM KLCI) futures contract (FKLI) on Bursa Malaysia Derivatives is expected to trade higher next week in line with the positive outlook for the cash market.

Affin Hwang Investment Bank Vice-President and Retail Research Head Datuk Dr Nazri Khan Adam Khan said the FBM KLCI would continue its momentum, boosted by the improvement in the ringgit and oil prices.

He said the barometer index's ability to end the week above the 1,630 point level showed the resilience of the local stock exchange. "Above 1,630 points is considered good," he told Bernama, adding the next hurdle would be the 1,650 points level.

For the week just-ended, the futures market was mainly higher on positive sentiment with spot month May 2016 up 12 points at 1,634.5, June 2016 and December 2016 gained 15.5 points each to 1,634.5 and 1,623.5 respectively, and September 2016 advanced 17.5 points to 1,613.5. Turnover more than doubled to 83,146 lots while open interest increased to 61,455 contracts versus 42,746 contracts previously.

The benchmark FBM KLCI settled at 1,637.19, up 8.4 points from 1,628.79 last Friday.

CPO Futures To Trade Mixed On Speculative Play

By Niam Seet Wei

KUALA LUMPUR -- The crude palm oil (CPO) futures market is likely to experience cautious trading next week with prices confined between RM2,450 and RM2,520 per tonne on speculative play.

"Investors from China, Pakistan,India and Middle East countries have bought adequate supply ahead of the Ramadan festive season," said Interband Group of Companies Senior Palm Oil Trader Jim Teh.

"So the demand for palm oil might slow down a little next week," he told Bernama. However, a weaker ringgit will be supportive of the market in

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the short-term and expectation of an increase in palm oil product exports is also seen as a positive sign for the market.

Cargo surveyor, Intertek Testing Services reported that palm oil exports in the first 25 days of May rose between eight and 11 per cent compared with the same period in April, suggesting robust demand ahead of the Ramadan fasting month, which begins on June 6.

On a Friday-to-Friday basis, June 2016 rose RM30 to RM2,587 per tonne, July 2016 added RM39 to RM2,587 per tonne, August 2016 climbed RM30 to RM2,558 per tonne while September 2016 improved RM37 to RM2,536 per tonne.

Weekly turnover slipped to 228,996 lots from 261,918 lots last week while open interest narrowed to 311,641 contracts from 323,864 contracts previously. On the physical market, June South was RM20 easier at RM2,620 per tonne.

Rubber Market Likely To Rebound Next Week

By Niam Seet Wei

KUALA LUMPUR -- The Malaysian rubber market is likely to rebound next week, tracking the better performance on the Tokyo Commodity Exchange (TOCOM), a dealer said.

The TOCOM rubber contract for November delivery rose 2.7 yen to 162.1 yen (US$1.48) per kg on Friday, up from 159.4 yen (US$1.45) per kg on Thursday, but eased 0.6 per cent for the week.

He expected prices on TOCOM to stage a technical rebound next week after five straight weeks of losses.

For the week just-ended, the Malaysian Rubber Board (MRB) official physical price for tyre-grade SMR 20 eased 10.5 sen to 505.0 sen per kg while latex in bulk was down 24.5 sen per kg at 448.5 sen per kg. The 5 pm unofficial closing price for SMR 20 gained 0.5

sen to 513.0 sen a kg while latex-in-bulk declined 19.0 sen to 452.5 sen a kg.

KLIBOR Futures Remain Untraded On Lack Of Interest

KUALA LUMPUR -- The three-month Kuala Lumpur Interbank Offered Rate (KLIBOR) futures contract on Bursa Malaysia Derivatives is expected to remain untraded next week due to lack of interest.

The futures market was also untraded for the just-ended week with open interest remaining nil. On a week-to-week basis, June 2016, July 2016, August 2016 and September 2016 remained at 96.35. The underlying three-month KLIBOR on the cash market stood unchanged at 3.67 per cent.

KLTM Likely To Trade Mixed Next Week

KUALA LUMPUR -- The Kuala Lumpur Tin Market (KLTM) Tin Market (KLTM) is expected to trade mixed next week with the spot price hovering between US$16,000 and US$17,000 per tonne, a dealer said.

The market will continue to see the active participation of European, Japanese, South Korean and Malaysian traders on renewed demand.

However, market sentiment was clouded by the potential US interest rate hike, expected in June, following a string of better US economic data "Concerns about stunted economic growth in China also pressured the tin market," said a dealer. For the week just-ended, the metal finished US$650 per tonne lower at US$16,000 per tonne.

Weekly turnover increased marginally to 177 lots from 174 lots last week. The premium between the KLTM and LME widened to US$145 per tonne

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at the end of this week versus US$125 per tonne recorded last Friday.

Gold Futures To Trend Lower Next Week

By Azlee Nor Mahmud

KUALA LUMPUR -- Gold futures contract on Bursa Malaysia Derivatives is expected to trend lower next week on the possibility of an interest rate hike by the US Federal Reserve.

A dealer said the gold market was currently under pressure as it stumbled towards a nine week low, with the painful mixture of dollar resurgence and growing hopes of a US rate hike which severely dulled the precious metal's allure.

"For an extended period, gold has been shackled by US rate hike expectations and with speculation heightened that the Fed could take action, there was heavy round of selling momentum that dragged prices," said the dealer.

On a Friday-to-Friday basis, May 2016 declined 69 ticks to RM161.70 while June 2016, July 2016 and August 2016 fell 71 ticks each to RM161.15, RM162.05 and RM161.05 a gramme, respectively.

Weekly turnover advanced to 104 lots valued at RM1.52 million from 86 lots worth RM1.35 million, recorded last week. Open interest on Friday rose to 540 contracts from 531 contracts previously.

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