



*As the most developed state in Malaysia, I reiterated Selangor's conviction to be a regional player. By combining vibrant economic development with deeply imbued human values, it is our aim to be a Regional Premier Smart State by 2025*

Amirudin Shari  
Selangor Menteri Besar



# SELANGOR JOURNAL



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public transportation is an important element of city management and that the network would boost economic activity and reduce traffic congestion.

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# National Budget 2020: Stepping Stone Towards Economic Growth

Come 11 October 2019, the much-anticipated National Budget 2020 will be tabled by . Seeing as this is the second budget that is to be tabled under the Pakatan Harapan (PH) coalition, many are on their toes as they hope that the budget will be able to provide the solution needed to the quandary the country is currently in. **Story continues on Page 4**



## Sepang: High Technology and Palm-Lined Beaches

Sepang is a perfect example of how government policies can benefit an area through its town planning. **Story continues on Page 8**



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## Hijrah Selangor Partners with MDEC to Aid Entrepreneurs

**PUCHONG** — The Selangor Hijrah Foundation is partnering with the Malaysian Digital Economy Corporation (MDEC) to provide digital entrepreneurship training to Hijrah entrepreneurs.

Selangor Hijrah Foundation Executive Chairman, Dato' Mansor Othman, noted that this will aid entrepreneurs to develop skills in the internet and computer technology.

Mansor stated that through this initiative, he was able to achieve marketing goals to increase sales and performance, especially in the micro business.

"Hijrah Selangor has taken the initiative to implement digital marketing courses and entrepreneurial training in collaboration with MDEC to prepare Hijrah entrepreneurs to increase online sales and business performance," said Mansor.

"In fact, the government wants to advance the digital economy and we don't want entrepreneurs in Selangor to be left behind," he said.

He said this at the Media Summit in conjunction with the 2019 Successful Pilgrimage Visit at Mio's Kitchen Restaurant, Bandar Kinrara, here on 19 September.

Meanwhile, MDEC's Project, Business Development, Digital Skills Leader, Amirul Ashraf Roslan said he would also develop a local e-commerce centre in each of the Hijrah branches.

"Through the e-commerce centre, entrepreneurs and the public can make digital business-related decisions through the provision of our training modules," he said.

At the same time, Selangor Hijrah intends to produce 40 qualified instructors from among Selangor Hijrah Officers through the training provided by MDEC to produce trainers that will be able to train other Hijrah entrepreneurs in the future.

## Promising Outlook for Selangor to Host SUKMA 2022

**BANGI** — Selangor's chances of being selected as host of the SUKMA 2022 Games are brighter after several states have expressed their support.

Exco of Youth and Sports Development and Human Capital Development, Mohd Khairuddin Othman, said the support was expressed at the SUKMA Supreme Council Meeting chaired by Youth and Sports Minister, Syed Saddiq Syed Abd Rahman, at his office in Putrajaya on 19 September.

"I and the Director of the Selangor State Sports Council presented the proposal to host in 2022, we have the full facilities, as we presented, and the Minister is very pleased," said Mohd Khairuddin.

"After hearing our presentation, the chances for Selangor to be the host look promising and we have been in contact

with the Minister, Director of the National Sports Council and several state Excos; I am confident that we can host SUKMA 2022," he said.

He said this at the Badminton Doubles Championship held in conjunction with the Gen-S Sports Festival at the Uptown Sport Bangi Badminton Hall here on 22 September.

Mohd Khairuddin said the meeting was also attended by the Minister of Youth and Sports and the Exco for each state.

However, he said Sabah also expressed interest in hosting.

"So far, Sabah has shown an interest in the matter, but we argued that Sabah had hosted in 2002 while Selangor last hosted in 1998," he noted.

## 65% Users to Enjoy Darul Ehsan Free Water Scheme

**SHAH ALAM** — Around 65 per cent of recipients of the available free water allocation are expected to enjoy the subsidy through the re-alignment of the programme, which is called the Darul Ehsan Water Scheme.

Selangor Menteri Besar, Amirudin Shari, said the percentage of consumers was obtained from the state government's study of the people of Selangor.

"(Giving the free water to) Recipients with a household income of RM 4,000 and below is the best formula even if originally we wanted to provide 25 cubic meters of free water to families with a household income of RM 2,500 (and below)," said Amirudin.

"However, we raised (the minimum income) to RM 4,000 and below because the B40 group in Selangor has a household income of RM6,000 and below," he stated.

Amirudin said this when met at the Management Transformation Convention of the Selangor Islamic Religious Affairs Department (JAIS) at the Lecture and Discussion Hall at the State Mosque here on 1 October.

Amirudin noted that it was an alignment effort to ensure recipients of the programme deserved the benefits of the programme.

"We don't want to give it to anyone

who owns a pool or has a high income. For me, the RM 11.40 rebate will not aid much in (such people's) lives," he added.

At the same time, he said, households with an income of RM 4,000 and above with many dependents can submit their applications and details to become recipients of the scheme.

He stated that eligible households can also sign up for an account directly to ensure they are eligible to accept it.

"Those with a lot of dependents can also apply. We will evaluate based on the necessary details in the application form," Amirudin stated.

"In fact, residential tenants can register their accounts directly as we will give them the rebate."

Currently, there are 1.6 million account holders that enjoy the 20 cubic meters of free water supply and who will continue to enjoy the RM 11.40 rebate until 29 February 2020.

Those who qualify may continue to claim the rebate through the registration which is open until 31 December of this year.

Users can apply online through the Smart System of the Inisiatif Peduli Rakyat website at [www.ssipr.selangor.gov.my](http://www.ssipr.selangor.gov.my) very much appreciated and all inconveniences are regretted," he said.

## Emergency Assistance Given to Fire Victims in Batu Caves



**SHAH ALAM** — The Sungai Tua State Legislative Services Center will provide emergency assistance to four families affected by their homes catching fire in a single incident on 21 September.



Selangor Menteri Besar, Amirudin Shari, expressed his gratitude that no lives were lost in the incident involving four units in Jalan Kampung Melayu, Batu Caves.

"I was informed of the incident and no fatalities were reported," he wrote in a Twitter post on 21 September.

Previously, Selangor Malaysia Fire and Rescue Department Assistant Director, Hafisham Mohd Noor said in a statement that he received an emergency call at 2.09 p.m.

Accordingly, a team of 16 firefighters with two engines from the Selang Fire and Rescue Station and Rawang BBP were deployed to the scene.

"The fire was put out at 2.35 p.m.," he said.

## Public Transport for Boosting Economic Activity



**SHAH ALAM** — The construction of the Bus Terminal in Section 17 (Terminal 17) is aiding the state government to achieve the goal of providing public transportation to eliminate the need for private vehicles in Selangor.

Selangor Menteri Besar, Amirudin Shari, said public transportation is an important element of city management and that the network would boost economic activity and reduce traffic congestion.

"I believe that the construction of the bus terminal will help the state government's efforts in enhancing the comfort, well-being and productivity of the people," said Amirudin.

"This is proof of the state government's continued commitment in addressing issues of public interest, especially in the field of public transportation," he said.

"Thus, the commitment of various parties and agencies is vital to play a more efficient and innovative role in improving the public transportation system in the state."

Amirudin said this at the Opening Ceremony of Terminal 17 and the Launching of the Shah Alam Selangor Smart Bus (SA04) Extension to UiTM Campus, at the Section 17 Bus Terminal on 19 September.

Also present were exco of Local Gov-

ernment, Public Transportation and New Village Development, Ng Sze Han, and Exco of Entrepreneur and Rural Development, Village and Traditional Village, Rodziah Ismail.

Shah Alam City Council (MBSA) Mayor, Dato' Haris Kasim was also present at the event.

At the same time, Amirudin said the state government was aware that the provision of sophisticated and efficient public transportation would not be possible to take place in the blink of an eye.

"However, the state government will be with the federal government in this and will always be committed to realizing this intention," he said.

Terminal 17 began operating on 1 May, costing RM 7.7 million and is a modern terminal building that is equipped with a terminal management system (TMS), Public Information Display System (PIDS) and Centralized Ticket System (CTS).

Among the advantages of TMS are free ticketing and having departure schedules and bus arrivals systematically arranged.

The building is also comfortable as it is equipped with air-conditioning systems, prayer rooms, toilets, convenience stores, cash machines, parking lots and motorcycles and food stalls.

## MB: Land Data Able To Meet Current Needs

**SHAH ALAM** — Accurate and easy-to-use data on land development is very much needed in line with the recent progress of the Industrial Revolution 4.0.

Selangor Menteri Besar, Amirudin Shari said the failure to develop efficient land data would be problematic in the long run as the dynamics of current management differed according to local changes.

"This (land data) is a request from the general public from time to time. The existence of what we call e-land must have been said for years," said Amirudin.

**This (land data) is a request from the general public from time to time. The existence of what we call e-land must have been said for years**

"In reality, we have not yet been able to develop a comprehensive system that is accessible to officers to submit land data quickly and accurately," he noted.

"For Selangor, we started in 2009 and 2010 with the creation of a committee to ensure that the land data is digitized and accessible to our officials (state government)," Amirudin stated.

"With such a slow approach what can I say is that almost 90 per cent of



the current land tax in the state can be collected because of our ability to manage and obtain accurate data."

He said this when delivering the opening speech of the 2019 Land Administration and Development Seminar at Hotel De Palma here today.

He said the availability of land data could reduce problems often raised such as fraud and duplication of applications.

The seminar is organized by the University of Technology Malaysia (UTM) through a postgraduate program in Land Administration and Development, Faculty of Architecture and Surveys in collaboration with the Research and Development Studies (LANDS) Study Group and the Selangor State Secretary's Office.

With the theme of Land Management in Malaysia: Dynamic Approaches to National Development, this seminar is also a step towards strengthening relationships between universities and government bodies and the private sector in addressing various issues of governance and land development in Malaysia.

It is also seen to play an important role in explaining the new direction of land administration and development for sustainable nation-building.

## Immediate action on foreigners occupying government lands



**T**he state government will act decisively on any foreigners who occupy state-owned land.

Dato' Menteri Besar, Amirudin Shari,

said the move also involved the National Leprosy Centre in Sungai Buloh.

"The Land Office is handling the case, we are more aware of this."

"The authorities are urgently taking action because we need to get details and information to take action," he said.

He said this to the media after launching the Women's Leadership Academy at the Shah Alam Convention Centre.

Amirudin said the state government is currently in the process of removing foreigners who live at the National Leprosy Centre site.

Meanwhile, Paya Jaras State Assemblyman, Mohd Khairuddin Othman, when contacted said the site was in the process of being declared a Unesco World Heritage.

**The authorities are urgently taking action because we need to get details and information to take action**



"I support and am willing to work with the authorities to ensure that the National Leprosy Centre is free of illegal occupation."

"We have to make sure the centre is safe, and all the illegal structures are removed," he said.

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*A strong economy begins with a strong, well-educated workforce.*

Bill Owen

”



**Lim Guan Eng**  
Finance Minister



By  
**Batrisyia Jay**

Continued from cover page...

Carrying the theme of 'Shared Prosperity: Sustainable and Inclusive Growth Towards High Income Economy', the National Budget 2020 is expected to focus on the government's aim of developing the nation through high-quality growth that will benefit people from all walks of life.

Will the upcoming National Budget 2020 be able to spur the economic growth of the country enough to grant Malaysia the sustainable economy it needs? As we await the tabling of the National Budget 2020 this 11 October, *Selangor Journal* puts a spotlight on sectors and industries that might be getting aid in the upcoming budget and how it will improve our country's economic prospects.

#### ■ Promoting Tourism to Boost the Economy

It is indisputable that the tourism sector is one of the chief contributors to economic success in Malaysia. Last year alone, the tourism industry was reported to have contributed to the country's economic growth with a share of 14.9 per cent. Thus, Lim had revealed that the federal government is proposing an additional allocation for the Visit Malaysia Year 2020 campaign that is to take place next year.

On that note, Lim urges vendors and businesses in the tourism sector across the country—particularly those in Sabah—to send in any good proposals to the Treasury via channels such as Focus Group sessions and the government web portal, Portal Belanjawan 2020, as an incentive towards the campaign.

The Finance Minister was quoted as saying that the government places importance on a joint venture approach, and this was what had resulted in the provision of RM 100 million in the National Budget 2019 for matching grants

for international marketing and promotional programmes.

The move has proven to be a success when for the first half of this year, the number of tourist arrivals had reached its peak of 13.3 million whereas, for the whole of 2018, the total number of tourist arrivals stood only at 25.8 million. Thus, as the Visit Malaysia Year 2020 campaign approaches, the government is bullish to see an increase in the number of tourist arrivals to a whopping 30 million.

On whether the government will be able to reach this target, Lim was reported as saying that he was confident that Sabah would play a major role in contributing to the growth of tourist visitors in the country.

With shared prosperity as its theme, Lim declared that the upcoming budget can only achieve this through a shared responsibility to improve the national economy generally and, more specifically, the tourism sector. "This sharing of proceeds will continue with the aim of contributing to the upkeep of tourist facilities. Sabah and Sarawak will continue receiving the biggest allocation in Budget 2020, as in the previous budget," revealed Lim.

Furthermore, in a bid to support the efforts of states that show robust tourism activities, the government, in Budget 2019, had agreed to return 50 per cent of the tourism tax proceeds of the respective states.

As of March 2019, of the RM 67.7 million distributed to all state governments, Sabah had received the highest allocation of RM 12.7 million—thus proving that the anticipation of Sabah being the chief state to attract the most

number of tourists to the country in 2020 is indeed attainable.

#### ■ Resolving Property Market Issues

With the recent issues hitting the property market this year alone, including the bankability of buyers and, at times, the disparity between the location of houses and buyers' expectations, all eyes are set on how the upcoming budget will be able to aid the property sector.

What has been divulged is that the government—via the National Budget 2020—will attempt to tackle the issues that have been plaguing our nation's property sector.

As stated by Deputy Finance Minister, Datuk Wira Amiruddin Hamzah, in the upcoming Budget 2020, Putrajaya is contemplating a homeownership scheme aimed specifically at those who have problems securing a home loan.

In his speech at the briefing for the property market 1H2019 and the launch of the Un-sold Property Enquiry System Malaysia (UPESM) 2.0 on 23 September, Amiruddin had divulged that the Ministry of Finance is in the final stage of formulating the National Budget 2020 and a few new schemes will be brought to light in the upcoming budget.

Founder and Managing Director of Chur Associates, Chris Tan explains that when it comes to property ownership, the property market is currently facing an excess of supply while having a low demand from the people. "One thing to be clear when it comes to the scheme that is to be introduced in the upcoming National Budget 2020 is that it must be demand driven," Tan surmised.

On how to ensure that there is de-

mand for the market, Tan noted that the government would do well to implement the usage of Big Data that will work to specifically address this issue. "With Big Data, developers are able to build based on the information gathered. That way we are able to shift to demand rather than supply when it comes to property ownership," explained Tan.



**Chris Tan**  
Founder and Managing Director  
of Chur Associates

Commenting on it further, Tan advised the government to not be too bigoted in coming up with the perfect scheme for property ownership and that a scheme that will please every party is impractical. "Therefore, the government should just come up with a scheme that will help the majority," concluded Tan. "Keep in mind that when you are keen to help everyone, you will end up helping no one."



▲ The property market is currently facing an excess of supply while having a low demand from the people.

#### ■ Transportation and Logistics

According to the study 'The Case for Sustainable Urban Transportation for Malaysia', transportation allows for the quantitative increase and geographic spread of sustainable development that facilitates economic growth through the transfer of goods and people, both in mass volume and across regions.

As the transportation sector plays just as vital a role as the tourism or property sector when it comes to boosting the economy of the country, Transport Minister Anthony Loke revealed that he hopes to get sufficient funds from Budget 2020, as he is keen to develop two key transport areas. These are improving public transportation and developing the logistics industry of the country.

Programmes recently introduced in Budget 2019, namely the My100 and My50 unlimited passes that are now available in the capital and Penang, have

received a positive response from the public and, according to Loke, this could be further enhanced and improved with the added funding that the ministry will hopefully receive in the upcoming budget.

"The My100 pass has helped me a lot with my travelling expenses," said 32-year-old Nurul Nabilah, who works as a writer in Bangsar and is an avid user of the My100 pass. "As a frequent traveller who uses LRT and MRT regularly, I find that I'm spending less than I used to for travelling ever since I purchased the MY100 pass, which means that I can use my savings for other things such as food and other necessary items," Nabilah explained.

The 32-year-old adds that she hopes more of such initiatives will be presented by the Ministry in the upcoming national budget, as an incentive for people to begin using public transportation to commute daily. "I'm quite certain that with more of these initiatives, the public will start to rely more on public transportation in the future as it is easier and more convenient to do so."



▲ My100 and My50 unlimited passes that are now available in the capital and Penang, have received a positive response from the public.

More rail lines, not only for human commuters but also for the transportation of goods.



After launching the World Maritime Week 2019 National Celebrations at the KL Convention Centre on 10 September, Loke reportedly said that they are looking to expand this initiative to other regions, which means that his Ministry will require more funding and support from the Finance Ministry. Commenting on it further, Loke also hopes to get the support of the Finance Ministry to build more rail lines, not only for human commuters but also for the transportation of goods.

"To ensure the logistics sector can expand, we have to connect existing railway tracks to our ports and industrial areas directly, so we hope to be allocated a budget that will allow us to launch several spur railway line projects along our existing railway tracks," Loke noted.

Among the routes that could profit from this added spur line is the Serendah to Port Klang route, with the current railway arrangement requiring the cargo trains to pass through the KL Sentral hub.

Loke explained that cargo trains coming from the north and heading to Port Klang are currently sharing the railway tracks with the commercial lines which give priority to passengers. Loke pointed out that this is not effective as these cargo trains are unable to pass through in the mornings.

As such, the Transport Minister noted that the existence of an added spur railway line, specifically for the Serendah-Port Klang route, could reduce the distance and time needed to get to the port, and is a project the Ministry is looking at implementing that could aid in boosting the nation's economy.

#### ■ Moving Towards an Entrepreneurial Nation

On 11 July, Prime Minister, Tun Dr Mahathir Mohamad launched the National Entrepreneurship Policy 2030. Consisting of five objectives and six core elements, the Prime Minister hopes that the policy will be able to drive a culture of entrepreneurship in the country and turn it into an entrepreneurial nation by 2030.

With this in mind, Entrepreneur Development Minister, Redzuan Yusof, stated that his Ministry needed to receive higher allocations in the upcoming National Budget 2020, as this could help to boost small and medium enterprises.

Commenting on it further, the Entrepreneur Development Minister had said that he expected RM 5 billion to be allocated for entrepreneur development under the 12th Malaysia Plan. The move was to ensure the government's plan to transform the country into a fully entrepreneurial nation by 2030 could come to fruition.

Redzuan explained that if the ministry is to increase the purchasing power of the low-income group, they will need more allocations. However, he noted that the final decision regarding the increase in allocation is the Finance Ministry's prerogative.

On that note, the Entrepreneur Development Deputy Minister, Hatta Ramli, confirmed that his ministry had submitted its proposals to Finance Minister Lim Guan Eng, who will be tabling the budget in Parliament this October, much to the anticipation of the public.

Ramli was reported at the official launch of the OIC Arab-Asia Trade and Economic Forum as saying that the reason the Ministry is keen to have an increase in allocation, besides developing the nation into an entrepreneurial nation by 2030, is to help develop the businesses of entrepreneurs which in return, will increase the employment rate in the country.

25-year-old Izzat Hamdan is a fresh graduate who is currently struggling to land a job, despite graduating with an above-average CGPA from a well-known local private university. "It is comforting to know that the ministry is keen

“It is comforting to know that the ministry is keen on helping entrepreneurs in the nation. With the hardship that we fresh grades are facing in landing a job, entrepreneurship seems to be the next best thing for us.”

**Izzat Hamdan 25**  
Fresh Graduate

on helping entrepreneurs in the nation. With the hardship that we fresh grades are facing in landing a job, entrepreneurship seems to be the next best thing for us," confessed Izzat.

He added that even when it comes to being an entrepreneur, most of his peers who are keen on making a start are at their wits' end on how to take the first step and to sustain their businesses. "Hopefully with the upcoming budget, there will be incentives or schemes that will specifically assist small start-ups and entrepreneurs who are quite new to the scene."

It is public knowledge that domestic economies around the world are made

up of entrepreneurs and small and medium enterprises. The Ministry reports that in Malaysia SME businesses represent over 98.5 per cent of all business establishments and offer 65 per cent of all employment rate while contributing to the gross domestic product of the nation.

The contribution of entrepreneurs and SMEs to exports is, however, currently below 20 per cent and this must be addressed. Ramli noted that the Arab and Asian regions had abundant resources that could be utilized. However, for this to take place, it is apparent that the Entrepreneur Development Ministry will have to receive more than what they had received from the previous budget, which was RM 489 million.

#### ■ Increasing Employment Rate

It would seem that the Entrepreneur Development Ministry's bid to increase the employment rate in the country might

get a boost as Finance Minister, Lim Guan Eng recently stated that creating more jobs and helping small businesses will be among the thrusts of the upcoming Budget 2020.

Lim said that the move was necessary as many of the nation's youths, including graduates, were found to be jobless. "We need to give priority to creating more jobs due to unemployment among our youths as well as help small businesses in these trying times," he stated.

The increase of taxes, including corporate tax, is undoubtedly the current global trend. However, in times where the cost of living continues to rise and the rate of employment has yet to increase, Lim assured that the government would not be proposing an increase in taxes, including inheritance tax.

"It will be difficult to do that in our fiscal situation. But if the economy improves, then we will consider this seriously," assured Lim, who had added that the government will do all it can to strengthen the economy as it copes with the RM 150 billion in losses caused by several scandals such as the likes of 1MDB, Tabung Haji and Felda.

The Finance Minister had declared that the measures the government wishes to implement now are to develop the economy for mutual prosperity to benefit people from all walks of life.

It is common knowledge that the current PH government is facing a wall of challenges — from dealing with the national debt to trying to renegotiate infrastructure projects. Be that as it may, the coalition is determined to reform the country towards better prospects, and this could be done via the upcoming Budget 2020.

Prime Minister Dr Mahathir Mohamad has affirmed that the government will look into reducing the gap between



▲ Lim Guan Eng recently stated that creating more jobs and helping small businesses will be among the thrusts of the upcoming Budget 2020.

the rich and the poor, as part of the upcoming budget's 'Shared Prosperity' theme set by the coalition.

Former British Prime Minister, David Cameron once said, "The economy is the start and end of everything. You can't have successful education reform or any other reform if you don't have a strong economy."

Thus, as 11 October approaches, let us hope that the tabling of the National Budget 2020 will be able to lead us towards the government's aim of the Shared Prosperity Vision 2021-2030 and towards a developed nation that will benefit its people from all walks of life.

## Pahang to get investments worth RM 1.38 bil

**KUANTAN** – Pahang will be receiving RM 1.38 billion of investments from China via a Memorandum of Understanding (MoU) signed with six companies from the country.

A media statement from the Menteri Besar press secretary's office here stated on 20 September that the MoU was signed by a delegation of the state government to China headed by Menteri Besar, Datuk Seri Wan Rosdy Wan Ismail.

Among the companies are ND Paper (M) Bhd which will build a factory in Bentong worth RM 522.2 million to produce paper and pulp, and a RM 200 million investment by China Travel Service Meizian Company Limited to create an 'eco-tourism city' in Bukit Tinggi.

The investment also involves the Malaysia-China Kuantan Industrial Park (MCKIP) here via TNP Power Sdn. Bhd. with an investment valued at RM 341.74 million for a plant to generate integrated energy and heat, as well as the Zhongxin Resources Regeneration Technology Sdn. Bhd., which is involved in producing paper and plastic particles valued at RM 122.48 million.

On the other hand, Wuxi Jinxie Industrial Company Limited has committed investment valued at RM 100 million to build a low-speed wind turbine to generate energy in Pulau Tioman, Rompin.

Meanwhile, the MoU also involved the construction of a plant to produce residence solar panels in the Gebeng Industrial Area by Power China Construction Group with investment worth RM 100 million.

Wan Rosdy stated that he hoped all MoUs would be realized and says he is confident they would give a major socio-economic push to the state government and the people in Pahang.

On this visit to China, which began on 18 September, Wan Rosdy also paid a courtesy call on Guangxi Zhuang Autonomous Region Governor, Chen Wu. Among the subjects discussed in the meeting was the proposal to have direct Kuantan-Nanning flights to shorten the travelling time between the two destinations.

## Malaysia-China e-commerce logistics hub to grow further

**NANNING** – A logistics firm known as China Post has been assigned to be the main platform to promote Malaysian products in China and to expand their market reach.

Malaysia External Trade Development Corporation (MATRADE) chairman, Tan Sri Halim Mohammad, said the business of the Malaysia-China e-commerce logistics hub had grown ever since collaborating with the state-owned enterprise, which owns a chain of more than 600,000 offline stores in the republic.

"In China alone, it has a rail network for regions without ports. China Post will be the main logistics platform to bring in Malaysian products, not only to China but other countries via land routes," said Halim.

He said this at a media conference after the launch of the Malaysia Pavilion at the China-ASEAN Expo (CAEXPO) 2019 here on 20 September. The pavilion was launched by International Trade and In-



dustry Minister, Datuk Darell Leiking.

Meanwhile, MATRADE chief executive officer, Datuk Wan Latiff Wan Musa, said China Post was the key gateway to all Chinese regions for Malaysian products due to the firm offering both offline and online sales channels.

"China Post's branch in Guangxi offers platforms for Malaysian products to be marketed throughout China and, along with the Malaysia-China Kuantan Industrial Park (MCKIP)

and China-Malaysia Qinzhou Industrial Park (CMQIP), will bring a lot of benefits to both countries," said Wean Latiff.

According to Wan Latiff, China Post would also be valuable as it would open markets for Malaysian products in stages throughout China, such as in Nanning, Shanghai, Guangzhou and Beijing.

As of August this year, the import-export trade of the Malaysia-China e-commerce logistics hub grew to RM 21 million compared to RM16 million for

the same period in 2018.

A statement by China Post Guangxi stated that China imported RM 6 million from Malaysia via the hub while its exports stood at RM 15 million in the eight months of this year.

Malaysia signed a memorandum of understanding with China Post Guangxi Zhuang Autonomous Region Branch and KCO Logistics and Distribution Services Sdn. Bhd. in 2017 to develop a virtual Malaysian Pavilion on China Post's e-commerce portal.

## MTJA grants USD 2 mil for Petroleum R&D



between Malaysia and Thailand on 21 February 1979 in Chiang Mai.

In his address, Azmin applauded the MTJA for the successful collaboration between Malaysia and Thailand, which had resulted in the creation of jobs and opportunities, the growth of supporting industries, as well as contributing to the energy supply of both countries.

"The success of the MTJA in generating revenue for both countries is such that five TSCF (trillions of standard cubic feet) of gas has been produced since gas was first delivered in 2005," said Azmin.

"As of the first half of 2019, USD 10.1 billion have been cumulatively remitted to both Malaysia and Thailand, with each country receiving USD 5.05 billion," he added.

Azmin stated that he was pleased to share that the MTJA will provide an endowment of USD 2 million (each) to both governments.

"We trust both countries will continue the legacy of the MTJA for the benefit of future generations," he said.

Azmin said that the MTJA has played a vital role in driving Malaysia's growth and develop-

ment, thus directly contributing to the wealth and prosperity of the people.

"MTJA is considered as one of the more successful and progressive joint authorities concerning exploration, development and production of oil and gas following the discoveries and commercial production to date," he said.

On average, the Joint Development Area (JDA)'s gas production accounts for approximately 9.0 to 10 per cent of Malaysia's total average annual gas production.

Thailand is Malaysia's fifth-largest trading partner globally and second-largest within ASEAN. Bilateral trade is rising steadily reaching US\$26.2 billion in 2018, an increase of 14.2 per cent from 2017.

As of the end of June this year, in terms of investment, net foreign direct investment inflows from Thailand stood at US\$ 534.6 million — mainly in the services sector.

Thailand is also a major investment destination for Malaysian companies in the services and manufacturing sectors— with a total direct investment abroad outflows of US\$2.5 billion during the same period.

**BANGKOK** – The Malaysia and Thailand Joint Authority (MTJA) will provide a grant of USD 2 million to each government to support petroleum research and development (R&D) for the Joint Development Area (JDA).

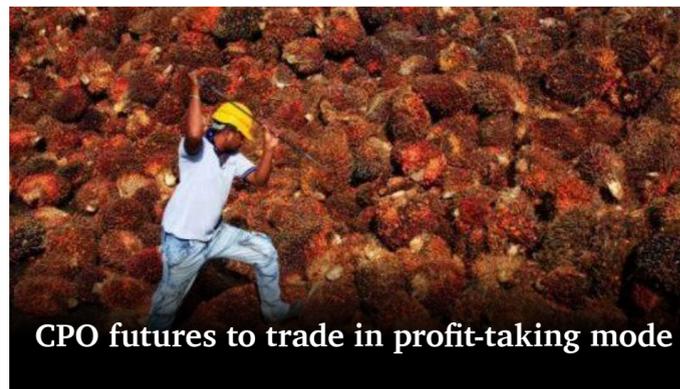
This was announced by Economic Affairs Minister, Datuk Seri Mohamed Azmin Ali, at the 40th anniversary of the establishment of the MTJA themed "40 Years of Shared Prosperity" here on 20 September.

Present at the event were Thai Energy Minister Sontirat Sontijirawong, Malaysian Co-Chairperson of the MTJA Tan Sri

Dr Rahamat Bivi Yusoff, Thai Co-Chairman of MTJA Dr Kurujit Nakornthap, Malaysian Ambassador to Thailand Datuk Jajie Samuel, and Ambassador of Thailand to Malaysia Narong Sasitorn.

A joint body to assume all rights and responsibilities on behalf of the Malaysian and Thai governments, the MTJA explores and exploits hydrocarbon resources in the Joint Development Area off Narathiwat and Kota Bharu in the best interests of both countries.

The joint authority was established through a Memorandum of Understanding (MoU) inked



**KUALA LUMPUR** – According to a trader, the crude palm oil (CPO) futures contract on Bursa Malaysia Derivatives is expected to trade in a profit-taking mode of between RM 2,020 and RM 2,080 per tonne next week.

Interband Group of Companies senior trader, Jim Teh, said market sentiment was affected by US-China trade war and last week's attacks on Saudi Arabian oil facilities.

On a Friday-to-Friday basis, CPO futures contracts for October 2019 increased by RM 1 to RM 2,161 per tonne, November 2019 added RM 2 to RM 2,192 per tonne, December 2019 rose RM 4 to RM 2,225 per tonne while January 2020 improved RM 11 to RM 2,261 per tonne.

Weekly turnover narrowed to 185,608



lots from 218,151 lots in the previous week, while open interest was higher at 230,310 contracts from 229,870 contracts.

Meanwhile, on the physical market, the CPO price for September South increased RM 10 to RM 2,130 per tonne from RM 2,120 per tonne.

## Govt paid RM 9 bil in interest for 1MDB debts

**KOTA BHARU** – According to deputy Finance Minister, Datuk Amiruddin Hamzah, the government has paid at least RM 9 billion in interest for the debts of 1Malaysia Development Bhd. (1MDB).

He stated that the government is steadfast in repaying 1MDB's debts—including the principal amounting RM 36 billion—while at the same time ensuring there will be enough money for development expenditure.

“The government is steadfast in repaying 1MDB's debts—including the principal amounting RM 36 billion—while at the same time ensuring there will be enough money for development expenditure.”



**Datuk Amiruddin Hamzah**  
Deputy Finance Minister



"We will also make sure that we will not default on (1MDB debts) repayments," said Amiruddin. He said this after officiating the 29th National Public Sector Accountants Conference here on 18 September.

As regards the Kelantan state government's allegation that the oil royalty payment was 'stuck' at the Ministry of Finance, Amiruddin noted that the government would make the payment when the time is right.

"(If it has been determined) what is due (for payment), and there is a decision by the Cabinet or Prime Minister (Tun Dr Mahathir Mohamad) himself on the matter, the ministry will comply and take the necessary action," he stated.

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Item	Description	IBS Concrete Panels System	Conventional System
1	Lightweight construction	50%	100%
2	Construction time saving	30-40%	0%
3	Construction cost saving	15%	0%
4	Manpower saving	40-50%	0%
5	Heat transmission (negative factor)	0.7	1.7
6	Sound transmission index (STC)	38	33
7	Strength (bulk equivalent bricks)	10000N/M	7000N/M
8	Fire resistance	F 2	0
9	Earthquake resistance (Richter scale)	Earthquake resistance (Richter scale)	None
10	Water penetration resistance	Highly	None

Building System	Time Saved (%)	Residue Cost (%)
Conventional (Traditional System)	0%	0%
Steel Lintel Form	15%	-8%
Precast Concrete System	45%	+15%
IBS Concrete Panels™	up to 50%	up to -25%

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Lot 2855 & Lot 2863  
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43100 Hulu Langat, Selangor.  
Tel: 03-9021 6866

**LAFI CIDB MALAYSIA**

**IBS Concrete Panels Mfg**

**ADVANTAGES OF IBS CONCRETE PANELS OVER OTHER SYSTEM**

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**REDUCED MANPOWER REQUIREMENT**  
**EASE OF HANDLING**  
**EXCELLENT THERMAL & SOUND INSULATION PROPERTIES**  
**MONOLITHIC STRUCTURE**  
**FIRE RESISTANT**  
**QUALITY FINISH**  
**VERSATILITY**  
**DURABILITY**  
**RENOVATION**  
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**LAFI CIDB MALAYSIA**



By  
Muhaimin Merican

## Selangor: High Technology and Palm-Lined Beaches

**N**estled away in the southernmost part of Selangor lies the Sepang District. It covers over an area of around 600 square kilometres and has a population of 211,361.

is Bandar Baru Salak Tinggi.

The earliest account has it that the name 'Sepang' was taken from a type of tree which grows in abundance in the district.

Up until the mid-1990s, Sepang district was just a flat stretch of palm oil plantations. Now, it has tens of millions of visitors a year because of two reasons: KLIA, and the Sepang racing circuit.

However, outside these two attractions and the areas bordering Petaling Jaya, there still exist the older and traditional tranquil villages and miles of palm oil plantations.

### ■ Cyberjaya

Cyberjaya is the Silicon Valley of Malaysia. Located in the Sepang district and with a science park as its core, it forms a crucial part of Malaysia's Multimedia Super Corridor. Cyberjaya is adjacent to and was developed along with Putrajaya.

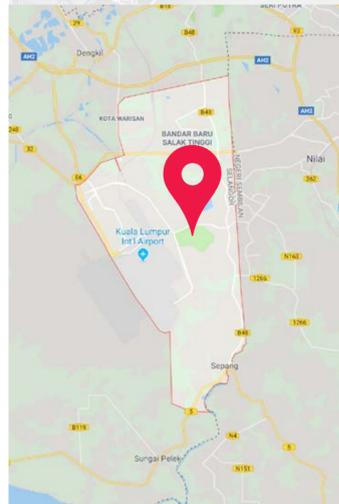
In 1995, the Malaysian Government commissioned the building of the Multimedia Super Corridor now known as MSC Malaysia.

In 1996, Nippon Telephone and Telegraph (NTT) agreed to develop a research and development (R&D) facility in Cyberjaya, which proved to be the project's catalyst. Soon, other giants like Dell, HP, DHL and Shell began to follow suit. With the global icons establishing their presence in Cyberjaya, the entire ecosystem began to form naturally.

### ■ The district of Sepang

Founded in 1975, the Sepang district is the 'youngest' district in the state of Selangor Darul Ehsan. It is situated in the south of Selangor, bordering on the Hulu Langat, Kuala Langat and Petaling districts. The district of Sepang also borders the state of Negeri Sembilan.

The Sepang District is made up of 3 mukims or subdistricts which are the Dengkil, Labu and Sepang. The district capital



Selangor

Founded in 1975, the Sepang district is the 'youngest' district in the state of Selangor Darul Ehsan. It is situated in the south of Selangor, bordering on the Hulu Langat, Kuala Langat and Petaling districts. The district of Sepang also borders the state of Negeri Sembilan.

Currently, over 500 MSC Status companies have located their operations here, making the township a rapidly growing area and rapidly boosting the local economy of Cyberjaya.

Today, Cyberjaya is also home to several government agencies such as the Malaysian Department of Public Services, Ministry of Education, Ministry of Human Resource and Sepang Municipal Council.

“The construction of KLIA was carried out mainly by a few state-owned construction companies. It was created as part of the Multimedia Super Corridor, a grand development plan for Malaysia

”  
Cyberjaya is the Silicon Valley of Malaysia. Located in the Sepang district and with a science park as its core, it forms a crucial part of Malaysia's Multimedia Super Corridor.



▲ The Cyberjaya Lake Gardens.

DHL, Satyam, Wipro, HSBC, Ericsson, Motorola, OCBC, BMW, IBM, Shell IT, Monster.com, Vivanova Systems, the Response Centre of the Anti Money Laundering Network and others.

The Cyberjaya Lake Gardens, located in Cyberjaya, is a 400-acre park that acts as a 'green lung' for the town. Presently, about 86 acres of the land has been developed with facilities including a Visitor's Information Centre, Boardwalk, Look-out Tower, children's playground, 15 acres of lake and 29 acres of natural and wetland.

### ■ Kuala Lumpur International Airport (KLIA)

The Kuala Lumpur International Airport (KLIA) is Malaysia's main international airport and one of the major airports in Southeast Asia and worldwide. It is located approximately 45 km south of Kuala Lumpur.

In 1993, the Malaysian government decided that the existing international airport in Subang, now known as Sultan Abdul Aziz Shah Airport, would not be able to handle future demand. A site in Sepang was identified for the construction of a new airport.

The construction of KLIA was carried out mainly by a few state-owned construction companies. It was created as part of the Multimedia Super Corridor, a grand development plan for Malaysia

The airport's site spans 100 square kilometres of former agricultural land and is

“The airport's site spans 100 square kilometres of former agricultural land



▲ An ambitious three-phase development plan anticipates KLIA to have three runways and two terminals each with two satellite terminals.

one of the world's largest airport sites. An ambitious three-phase development plan anticipates KLIA to have three runways and two terminals each with two satellite terminals.

Phase One involved the construction of the main terminal and one satellite terminal, giving it a capacity of 25 million passengers per year, and two full-service runways. The Phase One airport had sixty contact piers, twenty remote parking bays with eighty aircraft parking positions, four maintenance hangars and fire stations.

Phase Two, designed to increase capacity to 35 million passengers per year, is mainly complete.

Phase Three is anticipated to increase the airport's capacity to 100 million passengers per year. Malaysia Airlines also operates its Flight Management Building at KLIA.

KLIA2 began operations on 2 May 2014. Built for approximately RM 4 billion, it is the most substantial purpose-built terminal optimised for low-cost carriers in response to the exponential growth of



▲ Sultan Abdul Aziz Shah Airport, would not be able to handle future demand.



▲ KLIA 2 Skybridge

The Shell Malaysia Motorcycle Grand Prix 2019 returns on 1 to 3 November 2019



The Sepang International Circuit is a motorsport race track.



low-cost travel in the region. It was built to replace the previous Low-Cost Carrier Terminal (LCCT), and all flight operations at LCCT were moved to KLIA2 by 9 May 2014.

### ■ Sepang International Circuit

The Sepang International Circuit is a motorsport race track in Sepang, Selangor, Malaysia. It is located approximately 45 km south of Kuala Lumpur, and close to Kuala Lumpur International Airport.

First launched in 1999, it hosted the Formula One Malaysian Grand Prix between 1999 and 2017 and is also the venue for the Malaysia Motorcycle Grand Prix, the Malaysia Merdeka Endurance Race and other major motorsport events.

The track can accommodate up to 130,000 spectators at a time. The Main Grandstands and 18 air-conditioned Corporate Suites have a capacity of 32,000. Grandstands K and F can take up to 18,500 spectators facing turns 1 and 7, respectively.

### ■ Sepang Gold Coast

The Sepang Gold Coast development covers an area of 251.49 acres in Bagan Lalang, Sepang and is a major tourist attraction in the district

It is home to the Avani Gold Coast Resort which offers a secluded tropical hideaway that blends easy accessibility with a feeling of getting away from it all.

away that blends easy accessibility with a feeling of getting away from it all.

Set along Sepang's 22-kilometre shore, the property has a mainland beachfront setting with lush gardens and a palm structure built on stilts which extends over warm shallow waters. The overwater palm-shaped resort features 315 contemporary Polynesian-inspired guest rooms and villas, all with a sea view.

The Sepang Gold Coast provides an escape from the city without the need for a lengthy drive, as it is easily accessible from the Klang Valley via several highways.

### ■ Sepang in the Future

Selangor is a perfect example of how government policies can benefit an area through its town planning. Sepang began as a small district from adjacent constituencies of Hulu Langat (Kajang) and Kuala Langat, yet it has grown into one of the most populated districts in the state.

The population of Sepang has grown so plentiful and booming that it is estimated to have a population of 2.2 million by 2023.

# SELANGOR QUICK TAKES

SELANGOR JOURNAL

## 2,076 Business Owners and Entrepreneurs Join SITHAM

A total of 2,076 applicants were successfully registered for the Selangor Indian Entrepreneur Development Programme (SITHAM) through a briefing session held at 12 local authorities in Selangor.

Exco for Entrepreneur Development, Rural, Village and Traditional Village Development, Rodziah Ismail, said the amount was well above the target set at the beginning of discussions to conduct the briefing.

She said the Kuala Langat District Council (MDKL) registered a maximum of 426 applicants comprising existing entrepreneurs, including those seeking to start a business.

A sum of RM 1 million has been allocated by the state government to promote the programme by targeting the participation of 100 to 200 participants at each local authority.

## 'Fair Price' Project Supports Competitive Entrepreneurs

The 'Fair Price' project initiative will support entrepreneurs through a comprehensive programme of capital injection, equipment, technology, branch requirements, training and support for these members.

Exco for Housing and Urban Life, Haniza Talha, said the implementation allowed entrepreneurs to enter the market and remain competitive in every branch of the business.

"With the help of IR4.0 technology, the B40 group in the urban areas is capable of doing business personally and directly increase the household economy.

"The programme will start in Selangor before being extended to Malaysia in the near future.

"It will encourage halal food entrepreneurs to sell it at more competitive prices that consumers can afford," she said

## Selangor Generation Society (Gen S) Tour Encourage Residents Involvement

The Selangor Generation Society (Gen S) tour will continue at three selected locations around the state.

EXCO for Youth, Sports and Human Capital Development, Khairuddin Othman, said the programme was organized to encourage youths to work with residents to carry out planned activities.

"Through this tour, the active involvement of young people in community activities will contribute to the youth community's commitment to the grassroots community.

"For example, environmental protection activities by cleaning this area of Kampung Batu Putih," he said.

He said this when met at the Gen S Community Outreach Programme in Kampung Bukit Sungai Putih,

## Domestic Visitors Spent RM 13.2 bil in Selangor in 2018



Selangor has the highest total domestic visitor spending receipts in the country, amounting to RM 13.2 billion, according to the State Domestic Tourism Survey and Tourism Satellite Account 2018.

Malaysian Head of Statistics, Datuk Seri Dr Mohd Uzir Mahidin, said a survey conducted by the Statistics Department in 2018 also saw Selangor record the highest domestic visitor arrivals, a total of 30.2 million, during the year.

Other than Selangor, the highest domestic visitor spending was recorded in Kuala Lumpur (RM10.2 billion) followed by Sarawak (RM8.1 billion), Sabah (RM7.5 billion) and Pahang (RM7.4 billion), with all five states contributing 50.2 percent of total tourism receipts.

"In 2018, the tourism industry continued to perform better and contributed 15.2 percent compared to 14.6 percent in 2017, to the Malaysian economy," he said in a statement.



## 596 Lekima Storm Victims Received Over RM 1.73 mil Aid

More than RM 1.73 million was allocated to the 596 victims affected by the Lekima storm involving the Sabak State Assembly, Sungai Tawar, Sungai Panjang and Sekinchan.

The allocation was contributed by the Menteri Besar Incorporated (MBI), the Semesta Berhad Group (KSSB) and the Selangor Zakat Board (LZS).

The State Disaster Management Unit said the first phase of the contribution was delivered to 225 recipients from the Sabak state constituency totalling RM 678,600.

The donations were presented by Sabak Bernam Members of Parliament Datuk Mohd Fasih Mohd Fakeh and Sabak State Assemblyman Ahmad Mustain Othman.

## KATS to ensure Clean Rivers

The Ministry of Water, Soil and Natural Resources (KATS), through the Department of Irrigation and Drainage (DID), is actively implementing Integrated River Basin Management (IRBM) to ensure that existing rivers will not be polluted and eventually die.

Deputy Minister of Water, Soil and Natural Resources, Tengku Zulpuri Shah Raja Puji, said the number of rivers considered as Class 4, which is considered polluted, and Class 5, almost dead, is on the rise compared to those falling into Class 1 and 2.

"The Department of Environment (DOE) 2017 study found that nearly 40 per cent of the rivers around Selangor, the Federal Territory of Kuala Lumpur, and Putrajaya were found to be severely polluted or categorized in the 5th grade as dying," he said.

He said several IRBM actions had been implemented for the rivers identified. This was done to achieve the four objectives of IRBM: to ensure adequate water and cleanliness, to reduce flood risk, and to enhance environmental conservation.

## Water Remains Free for RM4,000 Households And Below

Selangor residents with a household income of RM4,000 and below will enjoy a new scheme of free water beginning 1 March next year.

Dato Menteri Besar Amirudin Shari said the Darul Ehsan Water Scheme was created to achieve the original goal of helping low-income groups.

In the state budget last year, he said, the Selangor State Assembly approved the re-alignment of the free water programme to "ease the burden of the target groups that are really in need."

"Also, the Darul Ehsan Water Scheme will be able to target those most in need, while ensuring proper targeted subsidy spending.

"This alignment is necessary to generate sustainable development and financial position," Amirudin said in a statement today.

# NATIONAL NEWS QUICK TAKES

SELANGOR JOURNAL

## Anak Orang Asli Nutrition Programme Implemented

The Ministry of Health will be implementing a special nutrition programme, the Programme for the Rehabilitation of Malnourished children or PPKZM, to address the problem of malnutrition among Aboriginal children.

Deputy Minister Dr Lee Boon Chye said nutritional issues, especially among children, were among the things still to be acknowledged in the community, even though PPKZM has been around for a long time.

He also said that the programme involving food supplementation and food basket assistance for indigenous communities has been fully implemented since 2013.



## Fire Department Wants Priority for New Assets, Equipment

The Fire and Rescue Department of Malaysia (JBPM) hopes the allocation in the 2020 Budget to the department will give priority to new assets and equipment for more than 30 fire stations to be completed next year.

Its director-general, Datuk Mohammad Hamdan Wahid, said that apart from machinery, the construction of new halls would inevitably require the addition of members.

"So we hope the government will take proper precautions to ensure that these needs are met and given due consideration, as we see an urgent need because the number of emergencies is increasing from day to day," he told reporters at the pre-launch of the Kuching Fire Fighter's Run.

## RM 58 mil Outstanding Rent for DBKL Housing

The arrears for rent payments on Public Housing (PA) and People's Housing Project (PPR) homes now amount to RM58 million, said Federal Territory Minister Khalid Abdul Samad.

He said that there is as yet no solution to recover the decades-old rental arrears owed to the Kuala Lumpur City Hall (DBKL). Most of the tenants who were in arrears claimed to be jobless.

"It has been going on an unsolved for years," he told reporters after launching the Community Care Programme (Peaceful Community) in Desa Rejang.

However, renters would be given a grace period to encourage them to settle their outstanding rents. "We will try to solve [the problem] first. We will give [the renters] three or six months [to pay the outstanding rent]," he added.

## Eight Companies Invest RM116 Million In 5G Demonstration Project

A total of eight companies have committed to invest RM 116 million in initial funding for the 5G demonstration project from October 2019 to March 2020.

Chairman of the Malaysian Communications and Multimedia Commission (MCMC), Al-Ishsal Ishak said the companies were Altel Communications Sdn.Bhd., CelcomAxiata Bhd., DiGi.Com Bhd, edotco Group Sdn.Bhd., Maxis Bhd., Petronas, Telekom Malaysia Bhd. and UMobile Sdn. Bhd.

Speaking at a media briefing on the Malaysian Demonstration Project (Oct 2019-Mar 2020) here today, he said the companies would highlight 5G use cases across nine fields namely agriculture, digital healthcare, education, entertainment and media, processing and manufacturing industries, oil and gas, smart cities, smart transportation and tourism.



## Modify Veto Power to Prevent Abuse - Dr M

Malaysian Prime Minister Tun Dr Mahathir Mohamad said it was time for the veto power to be modified if it could not be entirely abolished and called on the United Nations (UN) to return to its original purpose.

He suggested that the use of the veto power be valid only if two countries with veto power and three non-veto members agree to use it to ensure that the frequency of misuse of the veto is reduced.

"Countries with veto power should not consider themselves to be exempt from international law and norms," Dr Mahathir said in his statement at the United Nations General Assembly's (UNGA) 74th Session General Assembly.

## Malaysia's Reserves at USD 103.49 bil at End-Aug 2019

Malaysia's reserves will remain available at the end of August 2019, with official reserves of USD 103.49 billion, according to the International Monetary Fund's (IMF) Special Data Dissemination Standard (SDDS) format.

In a statement today, Bank Negara Malaysia (BNM) said their foreign currency assets amounted to USD 62.04 million.

"For the next 12 months, identified short-term outflows for foreign currency loans, securities and deposits, which include, scheduled repayment of foreign borrowings by the Government and repayment of proceeds from Interbank Bills in the Bank's foreign currency Countries at maturity amount to USD 5.72 billion.

"The short-term position stood at USD 13.67 billion as at end-August 2019, reflecting the management of ringgit liquidity in the money market," the statement said.

## SP Setia has best IBS score in Malaysia



**KUALA LUMPUR** — A wholly-owned subsidiary of SP Setia Bhd., Setia Precast Sdn. Bhd. received the highest Industrialised Building System (IBS) score in the country with a score of 93.95 for the construction of Kementerian Kesihatan Malaysia (KKM) government quarters building in Setia Federal Hill during an award presentation ceremony.

SP Setia Bhd President, Datuk Khor Chap Jen, stated that he was proud to have achieved another significant milestone for the Setia Group, noting that this achievement would spur them further to incorporate IBS method in their construction projects.

"We are currently looking to use this method for the construction of upcoming landed linked-houses and had started to incorporate prefabricated bath units in some of our recent projects," said Khor.

"With a higher degree of prefabrication being carried out off-site, IBS has been proven to increase speed, improve quality, reduce noise level at the sites and improve construction reliability by bringing site safety and housekeeping to a new level—and I believe that in the long run, IBS will be the preferred method for many developers in the country," added Khor.

In August 2017, the construction of the KKM Government Quarters building commissioned for the Health Ministry commenced. The building consists of 15 floors in total with one of the floors reserved for administration office and includes facilities such as prayer rooms, community hall, playground, and guardhouse.

To achieve a higher IBS score, Setia Precast implements an "Open System" to outsource specialized products and components from other IBS suppliers. This system allows Setia Precast and the various suppliers to work, learn, and understand from each other's systems for potential collaboration and partnership.

SP Setia Bhd. has built more than 25,000 homes in the country using the IBS method to date, including 5,000 units of government apartments in Putrajaya as well as several Rumah Selangorku apartments in Setia Alam, such as De Palma, De Kiara and De Bayu apartments.

Other prominent buildings that were constructed using the same method are Setia City Mall, the Specialist Complex and Ambulatory Care Centre at Hospital Kuala Lumpur, and AIMST University in Sungai Petani.

## Malaysians get priority to buy unsold high-end homes

**KUALA LUMPUR** — Federal Territories Minister, Khalid Samad, assured local buyers that they will be prioritized in the government's attempt to solve the issue of unsold high-end houses worth RM 100 billion.

According to Khalid, serious efforts would be undertaken to guarantee that local buyers would always be prioritized when it comes to purchasing unsold homes in Malaysia.

However, Khalid advised that if the government's effort proves unsuccessful, it must think about the reputation of the country's property industry as well as the developers' interests.

He noted that the "Malaysia My Second Home" programme (MM2H) is one of the methods being considered if there is a lack of local buyers for the unsold properties.

Meanwhile, Housing and Local Government Minister, Zuraida Kamaruddin, recently explained that the MM2H programme would be utilized to combat the surplus of high-end houses and not for the Home Ownership Campaign (HOC).

Zuraida also revealed that the campaign to resolve the issue of unsold high-end houses is still being discussed in the Ministry and has not yet been raised in the Cabinet.

## More affordable homes for Selangorians



**SELANGOR** — A wholly owned subsidiary of Kuala Lumpur Kepong Bhd., KLK Land Sdn. Bhd. handed over its second phase of *Rumah Selangorku* affordable homes in Bandar Seri Coalfields recently.

The project, known as Hibiscus 3, is in support of the state government's aim to cater to the demand of affordable housing for people from all walks of life. Phase 2 offers 274 two-storey terrace homes with built-ups of 1,050 sq. ft at a launch price of RM 220,000 for each unit.

10 owners were presented the mock keys by Selangor Menteri Besar, Amirudin Shari and Kuala Selangor District Council president, Rahilah Rahmat in order to commemorate the occasion.

Speaking at the handover ceremony, Amirudin noted that it is heartening to see developers like KLK Land supporting the state government's initiative to provide

affordable housing for the people of Selangor.

"It is our aim to provide the rakyat with quality and comfortable homes at affordable prices to meet the high demand of low and middle-income buyers working in urban areas," said Amirudin.

"We have always placed a high importance on the quality of the products we offer and there are no exceptions for our affordable homes segment. Although Hibiscus 3 are priced at RM 220,000, we do not compromise on the quality of the products," said KLK CEO Tan Sri Lee Oi Hian, adding that the construction of Hibiscus 3 took nearly two years to complete.

"As a responsible corporate citizen and developer, we are committed in supporting the state government's initiatives in building more acquirable homes for the people. We will make af-

fordable homes an integral part of our township and play our part in aiding the people to find and acquire an affordable home whilst enjoying the quality lifestyle KLK Land has to offer," said Lee.

KLK Land developed 224 storey terrace homes in its first phase of the affordable homes range, named Hibiscus 2, which has already been handed over to homeowners in April 2017.

Both phases are part of the integrated township set on a 1,001 acre of freehold land with a gross development value of RM 5.6billion.

Bandar Seri Coalfields comprises mixed commercial and residential properties. These include shop offices, bungalows, semi-detached houses, super link houses as well as terrace houses.

The integrated township offers a variety of public amenities, including Wesley Methodist Private School, primary and secondary schools, kindergarten, market, petrol stations, police station and a residents' clubhouse.

Moreover, there is a 50-acre Central Park which serves as a landscaped pedestrianized connector within Bandar Seri Coalfields.



## HOC may be extended to next year

**KUALA LUMPUR** — The Home Ownership Campaign (HOC) could once again be extended further to resolve the issue of unsold houses in Malaysia even after having been extended until the end of 2019.

"Yes, it is possible for the HOC to be extended as developers are already lobbying for this," said CBRE-WTW (CBRE Group Inc. and CH Williams Talhar&Wong Sdn. Bhd.) MD Foo Gee Jen.

Having begun this year, HOC offered many discounts and incentives and has been fruitful in encouraging people to buy homes.

Moreover, many developers reported brisk sales following a few years of disappointing results.

For instance, Sime Darby Property Bhd. claims that the campaign contributed 50

per cent of its RM 1.4 billion sales during the first half of 2019.

Sime Darby Property Chief Marketing and Sales officer, Gerard Yuen, shared that the company saw an increase in sign-ups at the end of June, before the first extension of the HOC was announced. According to Gerard, he expected to see a similar increase in December before the campaign ends.

Meanwhile, Foo revealed that the market is currently in the midst of speculating an extension until March 2020.

"The current campaign has gained good responses from the market. It may be a good opportunity to help homebuyers to own a home with such incentives," said Asiacap Valuer&Property Consultants Sdn. Bhd. property valuer, Kit Au Yong.

However, Foo stated that the property sector should seek its own equilibrium despite the campaign showing signs of triumph.

"I believe the market has to find its own equilibrium and take the natural process and carry out its own correction. Let the market forces determine the price that buyers wish to have. Do not artificially mark up the price and then offer discounts, rebates or freebies," he added.

On the other hand, PPC International Sdn. Bhd. MD, Datuk Siders Sittampalam, believes developers and the government might not receive the same results even if the HOC is extended until next year.

"They are not going to see the same level of interest as genuine buyers could have bought what they wanted," he noted.

## Benefits of being a Selangorian

Selangor Darul Ehsan is considered the most economically prosperous state in Malaysia. With this, Selangor enjoys many benefits with modern-day infrastructure and fundamental facilities. The GDP for Selangor in the year of 2018 reached RM 321,069 million.

The wealth of Selangor's revenue is being channelled to the people of Selangor through the Inisiatif Peduli Rakyat (IPR), formerly known as the Selangor Economic Development scheme.

Here are some things you could get from the Selangor state government if you were born in Selangor or have been a longtime resident of the state:



### ■ Skim Peduli Sihat (Healthcare)

The Selangor State Government has allocated funds for the successful implementation of the Health Care Scheme.

People born or residing for more than ten years in Selangor are eligible for treatment at 1,000 registered clinics in Selangor and the Klang Valley.

All participants of the scheme will receive a Health Care Health card that enables the primary account holders as well as dependents, wives and children under the age of 21 to receive general practitioners at registered clinics according to the prescribed usage and eligibility criteria.

Clinics registered with Health Care will charge a doctor's consultancy fee, which does not burden the people, per the prescribed fees of the Malaysian Medical Association (MMA).

### ■ Kasih Ibu Smart Selangor (Mothers)

In recognition of the critical role of mothers in a family, the Selangor State Government has introduced the Kasih Ibu Smart Selangor or KISS. It is a unique welfare programme for mothers of the B40 low-income group.

The programme aims to reduce the cost of living through financial assistance for the purchase of necessities. Programme participants can purchase necessities in cashless shops and supermarkets.

In order to qualify for the KISS scheme, you are required to meet individual requirements. You must be a Malaysian citizen and be born in Selangor or have resided in Selangor for more than ten years as well as be a registered voter in Selangor. Furthermore, to qualify for the scheme, you must also be a mother (married or single mothers) with children/dependents under the age of 21 and a household income of below RM 2,000 per month.

### ■ Skim Kesihatan Wanita (Mammograms)

Not aware what a mammogram is? It is an X-ray of the breast to detect and diagnose breast cancer. Through Skim Kesihatan-Wanita: Mammogram Selangor (MAMMOSEL), you will get a FREE mammogram check.

The free MammoSEL programme was launched on November 6, 2010, in Hulu Langat in conjunction with the state-level Rural Women's Day 2010 aimed at providing free mammogram screening services to all women in the state.

This scheme is available for all women born in Selangor or with Selangor residency that are aged 35 years old and above. The Selangor government offers free mammogram screenings for women in Selangor, and they have run several campaigns under this scheme that offer free mammogram screenings.

The programme has been improved since 2016 with the addition of ultrasound follow-up treatment for those who need medical advice.

To register, the public can find more information at their nearby ADUN's Office.

### ■ Skim Mesra Usia Emas (Senior Citizens)

Beginning 1 May, 2019 the Khairat Kematian (funeral fund) programme was replaced with RM 100 a year living allowance for eligible seniors / disabled people, in conjunction with the festive season and is expected to start on October 2019.

The improvement is in line with the wishes of the Selangor State Government which values the elderly and wants them to enjoy the state's income while they are alive. This Jom Shopping Voucher will assist senior citizens in purchasing necessities as the festive season approaches.

### ■ Tabung Warisan Anak Selangor (Newborns)

Introduced in 2008, eligible children registered under the Tabung Warisan Anak Selangor (TAWAS) will receive a sum of RM 1,500 upon reaching the age of 18, to be given by the state government.

The application must be made before the baby turns three years old.

In addition, the TAWAS Khairat Kematian Scheme was also introduced. Under this scheme, RM 1,500 will be given to the beneficiaries of the deceased member if the member dies before reaching the age of 18.

### ■ Skim Bantuan Tadika Selangor (Kindergarten)

Skim Bantuan Tadika Selangor or TUNAS helps parents who have children attending kindergarten. Through this scheme, parents will receive RM 50 every month. It is not in cash form but rather in the form of a fee and is passed directly to the kindergarten registered with the Majlis Permuafakatan Tadika Selangor.

### ■ Hadiah Pengajian IPT (Students)

Any Selangor citizen who is offered entry to a public university is eligible to apply for an RM 1,000 scholarship per person.

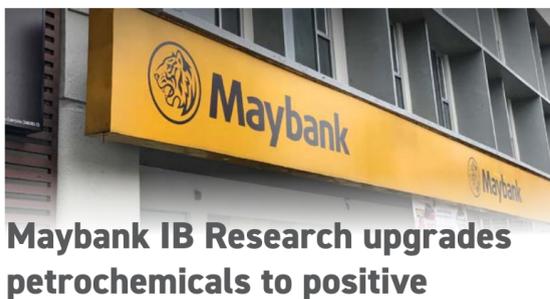
To apply for this scheme, applicants must meet the following requirements: Applicants must be a Malaysian citizen and either the applicant were born in Selangor, or either one of the applicant's parent was born in Selangor. An applicant has a full-time offer to study a diploma or a bachelor's degree at any of the government-recognised private or public institutions. Also, finally, the monthly household income of the applicant's parents must be RM 3,000 and below.

### ■ Wi-Fi #SmartSelangor and Bas Selangorku (Infrastructure)

The SmartSelangor Wi-Fi initiative has created 3,600 FREE WiFi spots in Selangor. The state government is currently working on increasing the number of hotspots in the state, especially in areas concentrated with people from the lower-income group.

SmartSelangor Wi-Fi initiative seeks to provide free internet access to everyone in the state, no matter their economic background.

Also, in order to improve public transport in Selangor, the Selangor state government has introduced the Bas Selangorku Initiative. Launched in 2015, this service covers three major areas in Selangor: Shah Alam, Subang Jaya and Klang.



## Maybank IB Research upgrades petrochemicals to positive

**KUALA LUMPUR** – Maybank Investment Bank Research has upgraded the Malaysian petrochemical industry from neutral to positive on inexpensive valuations with purchase calls on Petronas Chemicals and Lotte Chemicals Titan.

The research house said the rates of major basic petrochemicals on Monday are coming off their low since May/June, and a small restoration has been taking place.

“The 3Q19 industry earnings should be better versus 2Q19, in our view. Although the industry still faces challenges from the US-China trade war and contracting global PMI, we don’t think it justifies the depressed P/BV as balance sheets and cash flows are at healthy levels,” it said.

To sum up, the findings of 2Q19 were poor for both Petronas Chemicals and Lotte Chemicals, which also true for most petrochemical businesses around the globe.

Average sale rates dropped more than expected, eventually suppressing the profits of the product. Both businesses had higher than average usage

rates, and this has helped to lessen operating costs, but it is not sufficient to balance the impact of the significant decrease in Year over Year (YoY) and Quarter on Quarter (QoQ) ASP. Maybank Research said that 1H19 was extremely difficult for the petrochemical industry as product prices dropped to levels last seen during the 2008-09 global financial crisis (GFC).

Ironically, the usage levels were high and demand growth in 1H19 was strongly favourable. These are characteristics which, at least in principle, should provide the manufacturer with pricing power.

“We have started to see some evidence of pricing power as many major petrochemical prices started to stage a recovery since May-June.

“We note that Petronas Chemicals has three scheduled factory maintenance shutdowns that will lower product volume and revenue in 3Q19. Both companies are in a net cash position and Capex outlook is at normal levels, thus ensuring its 50 per cent pay-out ratio,” Maybank Research said.

## Retail industry grew 4.5% in 2Q2019, says RGM

**KUALA LUMPUR** – According to Retail Group Malaysia (RGM), Malaysia’s retail industry reported an annual year-on-year growth rate of 4.5 per cent in retail sales in the second quarter of 2019.

RGM said that growth in retail sales was only 2.1 per cent a year ago.

It said the retail sales growth rate was 4.2 per cent for this year’s first six months, compared to the same period a year ago.

RGM said members of the retailers’ association maintain their positive outlook on their businesses in the next three months.

It said in the third quarter of 2019, they estimate an average growth rate of 3.2 per cent.

RGM said for the third quarter of this year, depart-

ment-store-cum-supermarket operators expect their businesses to further improve with a growth rate of 9.6 per cent.

It noted that this is the largest retail sub-sector projection.

RGM said department store owners expect their companies to turn up for the third three-month span of this year with a positive growth rate of 4.6 per cent.

RGM said the performance of the Malaysian retail industry continues to be affected by the internal and external market environment for the remainder of 2019.

Due to this, RGM has maintained a retail growth rate of 5.8 per cent in the fourth quarter of 2019 and forecasts a growth of 4.4 per cent over the complete year.

## AmInvestment maintains Sunway purchase at RM 1.99

**KUALA LUMPUR** – AmInvestment Bank research has maintained its purchase call on Sunway Bhd. at an unchanged fair value of RM 1.99 following its proposal to acquire the entire Sterling Paradise Sdn. Bhd. equity interest for RM 15 million.

The research is optimistic about the growth as this will assist in maintaining Sunway’s medium-term estate income. “However, we made no changes to our FY19–21 earnings forecasts, as the project is still in the planning stage,” it said.

To recap, Sterling Paradise had previously signed a sales and purchase contract with Meraki Land Sdn. Bhd. to obtain 47 freehold property plots, approximately 11.8 acres, in Mutiara Bukit Jalil, with an authorized development order.

In the meantime, Sunway is planning a mixed development of RM 800 million GDV for the upper-middle-income group, which is expected to start at 2HFY20 and will be developed over six



years.

“Based on our estimate, the land cost is calculated at RM 98.3 million (RM 191 psf) which includes the acquisition of Sterling Paradise SB of RM 15 million while excluding the 25 per cent of PBT sharing and fixed sum of RM 36.7 million.

“The cost-to-GDV ratio of 12.3 per cent is considered low, as compared with the average of 15 per cent for high-rise mixed residential/commercial developments in Klang Valley,” said AmInvestment.

## Five UK AI companies established in Malaysia

**KUALA LUMPUR** – EFFORTS to strengthen technology ties between Malaysia and the United Kingdom have begun to bear fruit with five UK artificial intelligence (AI) firms that have established activities in the nation so far.

Natalie Black, UK’s Asia Pacific Trade Commissioner, said the partnerships are in tune with both nations’ ambitions to encourage ethical AI, which has recently drawn concerns from some quarters.

“We have conducted government to government talks where we have met Communication and Multimedia Minister Gobind Singh Deo when he came to the UK earlier this year,” she said during the Next BigTech Asia 2019 conference,



which was held here.

She said Malaysia’s technological collaboration with the UK could drive AI adoption in Industrial Revolution 4.0 at a faster rate.

According to the trade commissioner, research conducted, including by Microsoft, has shown that a higher rate of AI adoption could boost innovation and increase productivity by 60 per cent.

She also believed that a safe AI atmosphere could add to

a healthier and fairer global economy for everyone.

During his February visit to the UK, Gobind and his delegation reportedly held a series of meetings with officials from the UK government to explore collaborations in several fields including AI, cybersecurity, 5G, and creative content.

Meanwhile, Priya Lakhani, founder and CEO of Century Tech, said during a meeting with Prime Minister Tun Dr Mahathir recently, he had expressed his interest in empowering individuals with the right technology.

As part of a bid to boost education globally, Century Tech has hired local stakeholders to introduce AI technology to Malaysian schools.

## Malaysia’s export growth outperformed other Asean countries

**KUALA LUMPUR** – Malaysia’s export has outperformed other Asean nations over three quarters of the year amid global trade uncertainties, according to a study carried out by the Institute of Chartered Accountants in England and Wales (ICAEW).

ICAEW said exports from Malaysia had shown resilient domestic demand.

In contrast, development in trade-dependent economies such as Singapore, Thailand, and the Philippines in the second half of the year had seen momentum slowing more, ICAEW added.

The Institute expects overall economic growth across Asean to slow down to 4 per cent in the first half of the year compared to 4.5 per cent in the second quarter of 2018.

This would be due to US-China trade war spillovers, slower domestic Chinese demand, and a downturn in the worldwide cycle of electronics.

“Overall, Asean’s gross domestic product (GDP) growth is expected to moderate to 4.5 per cent this year, and stabilize at the same rate in

2020,” ICAEW economic advisor and Oxford Economics Lead Asia Economist Sian Fenner said in a statement.

With reduced US interest rates and subdued inflationary pressures, central banks across the region are anticipated to lower policy rates to support domestic demand against an increasingly difficult internal background.

ICAEW wants Bank Negara Malaysia to reduce its main interest rate by another 25 basis points (bp) in December, with another 25bp cut in the first quarter of 2020, given the country’s economy’s out-performance today.

This is given that in the upcoming budget announcement on 11 October, the government will proceed to concentrate on fiscal consolidation.

“We expect the challenging external conditions to continue weighing heavily on the overall growth across Southeast Asia economies, as well as on regional trade flows,” said ICAEW regional director of Greater China and South-east Asia Mark Billington.

# Developing Economies’ Subordinate Financialization

By Jomo Kwame Sundaram, Michael Lim Mah Hui

**R**apid financial globalization is due not only to financial innovations but also to choices made by national policymakers, often with naïve expectations, trusting promoters’ promises of steady net inflows of financial resources.

Rapid financialization has involved fund or asset investment managers operating internationally, managing assets for transnational institutional and retail investors, and investing a growing share of transnational financial assets. Even retail investors are attracted by such fund managers offering attractive alternatives for investing in various asset markets, including index funds.

To attract foreign institutional investments interested in capturing more rents, they demand more favourable terms and conditions, thus changing national financial systems. Successfully attracting transnational finance thus limits ‘emerging market’ economies’ ‘policy space’ to develop their economies.

### Facilitating financialization

The enabling environment to attract capital inflows typically allows them to circumvent regulations and other institutional constraints. Deepening national capital markets by relying on transnational finance typically involves ‘subordinate’ or ‘dependent’ financialization.

This typically requires modifying national financial systems to better serve transnational finance and transitioning from traditional banking to financial asset markets. Thus, developing countries, that open their capital accounts or encourage transnational portfolio investments, become especially vulnerable.

In the early 2000s, after the 1997–1998 Asian financial crises, the Group of 8 (G8) major economies, supported by the World Bank, International Monetary Fund (IMF) and Germany’s Bundesbank, promoted local currency bond markets. Soon, local currency bond markets in Asia (ex-Japan) rose ten-fold from USD 836 billion in 2000 to USD 8.3 trillion in 2015.

“Rapid financialization has involved fund or asset investment managers operating internationally, managing assets for transnational institutional and retail investors, and investing a growing share of transnational financial assets.”

### Subordinate securitization

It was claimed that deeper national securities markets, especially local currency bond markets, would redress both currency and maturity mismatches of short-term foreign currency borrowings by local banks and corporations. Such markets were expected to reduce global imbalances as countries with surpluses would no longer need to recycle savings in US financial markets.

However, an UNCTAD-South Centre study argued that local currency bond markets are ‘double-edged’, addressing the risks of currency mismatches for individual borrowers, while exacerbating the systemic risks associated with the nation’s currency. When developing economies’ equity and bonds are largely foreign-held, their currencies are more vulnerable.

### New vulnerabilities

Increasing transnational integration of national currency, financial and other asset markets have transformed global finance and its dynamics, including the roles, relations and room for manoeuvre for emerging market and other developing economies:

- Currency markets are now less influenced by international trade flows, but increasingly by capital flows, and when substantial enough, by the ‘carry trade’ of those borrowing in low-interest rate currencies to invest in high-interest rate currency assets, taking on exchange rate risk to gain from interest rate arbitrage;
- Inter-bank money markets no longer only reflect the demand for and supply of central bank reserves but also the effects of central bank interventions in currency markets to prevent excessive appreciation or depreciation of national currencies due to market perceptions of erratic capital flows;
- With domestic financial conditions linked to the vagaries of global finance and US interest rate decisions, subordinate financialization constrains governments’ capacities to provide macroeconomic stability by trying to stabilize aggregate demand, let alone undertake countercyclical policy;
- Subordinate financialization tends to promote the privatization of public services by legitimizing the notion that public goods—education, health, infrastructure—can be better provided by the private sector with finance from capital markets. Development finance is thus redeployed to ensure profits for private finance, investors and companies.

### International financial anarchy unchecked

Efforts to deepen national capital markets have been backed by powerful financial interests, domestic and foreign, especially the major international financial institutions. Multilateral development banks have been urging developing country governments to get private finance to fund development, social and environmental initiatives.

Their message has shifted from ‘working on finance’, to try to ensure more resilient and robust development despite international financial volatility and instability, to thus ‘working with finance’. Meanwhile, institutional investment managers are expected to turn to ‘impact investing’ with supposedly beneficial effects, such as green bonds, development impact bonds and infrastructure bonds.

To make matters worse, there is no international financial regulator, as all regulation and regulators are national, even in implementing Bank of International Settlements (BIS) standards. Both the BIS and the IMF acknowledge cross-border transmission of risks but national regulators focus on their national economies, leaving others more vulnerable than ever.

Jomo Kwame Sundaram, a former economics professor, was United Nations Assistant Secretary-General for Economic Development, and received the Wassily Leontief Prize for Advancing the Frontiers of Economic Thought.

Dr Michael Lim Mah Hui has been a university professor and banker, in the private sector and with the Asian Development Bank.

### Excerpt:

Visit this story at

Visit this story at <http://ipsnews.net/2019/09/developing-economies-subordinate-financialization>



Jomo Kwame Sundaram, a former economics professor and United Nations Assistant Secretary-General, was a member of the new Malaysian Government’s Council of Eminent Persons.



Michael Lim Mah Hui



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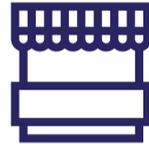
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