Chapter 1

Investment in Malaysia

1.1 Overview

Since Malaysia gain its independence from the British back in 1957, Malaysia has successfully transforms itself from a rubber estate pre-dominant economy to become one of the most modern countries in Asian region.

Malaysia is a country that is blessed with wealth of mineral resources and fertile soil. However, the people in this country has taken decisive steps in progressing from a dependence on agriculture and primary commodities to an export-driven economy spurred on by high technology, knowledge based and capital intensive industries.

Malaysia is one of the most business friendly small open economies in the world. The open and liberal trading regime, sound macroeconomics management and long-term vision to accelerate the industrialization process create a conducive-environment for both domestic and foreign investors.

1.2 Economic Review

Since the devaluation of the Thai Baht in July 1997, the Asian countries have experienced two recessions. Malaysia is now on the road to recovery. For the 57th consecutive month, Malaysia has registered an impressive trade surplus in July 2002 and this will point to a more robust gross domestic product growth for the coming quarters[1].

After years of hard work in reforming and restructuring our financial institutions and introducing corporate governance into the market place, Malaysia's bankers are among the best in the region today. They have recapitalized and consolidated the financial industry. The financial institutions have had their bad debts pruned to internationally accepted level[2].

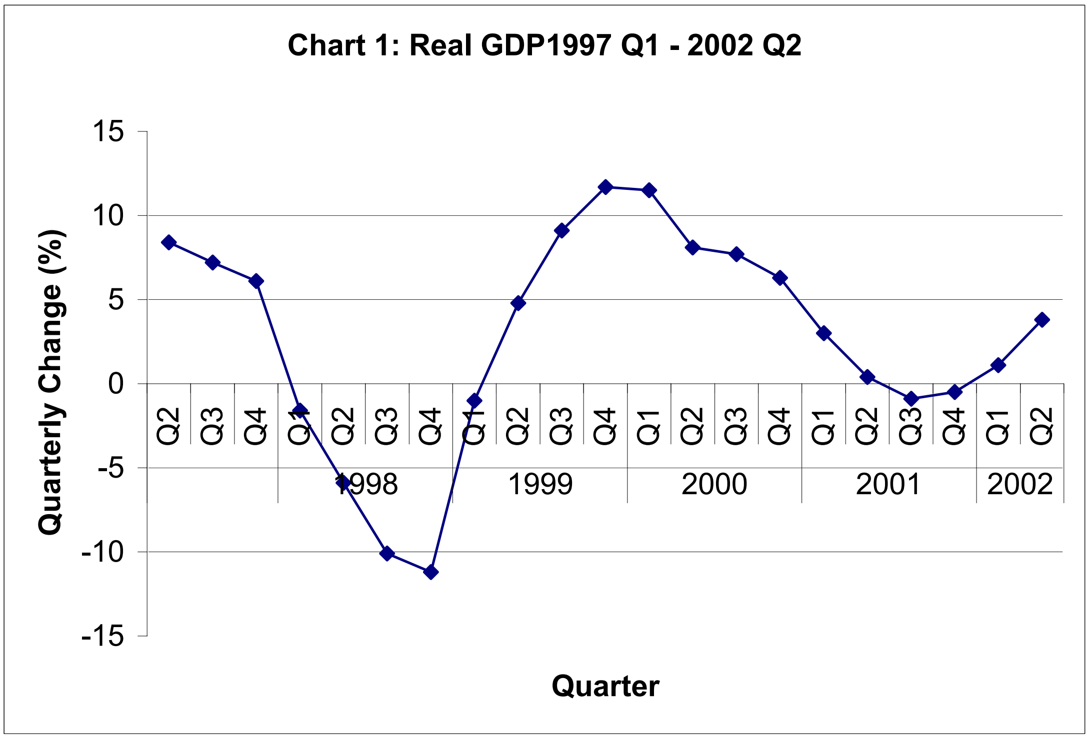
Furthermore, by mid-2000, Kuala Lumpur Stock Exchange (KLSE) introduced new rules that made it compulsory for all listed companies to submit quarterly results complete with balance sheets and profit-loss statements and a complete disclosure from director's salaries to board compositions. As what Dominic Armstrong, regional research head of ABN Amro in Singapore put in "Apart from Korea, Malaysia could be the best-regulated and most transparent market in Asia right now"[3]

[1] Izwan Idris "July Surplus Points to Robust GDP in Q3" The Star, September 3, 2002.
[2] S. Jayasankaran "Malaysia Turns Around" Far Eastern Economic Review May 23, 2002
[3] S. Jayasankaran "Malaysia Turns Around" Far Eastern Economic Review May 23, 2002 and Stephanie Phang "Cover Story: 5 Years after the crisis: Malaysia: 'we did it our way' The Edge Daily, July 10, 2002.

1.3 Malaysia Economic Performance in 2001

The Malaysian economy remained resilient in 2001 amidst a challenging external environment. While the global economic slowdown in 2001 was more severe than earlier expectations, Malaysia avoided a deep recession.

Given the openness of Malaysian economy, the negative effects of the US economic slowdown and global electronics downturn was felt as early as March 2001. In fact, the real GDP was contracted in the third and fourth quarter by –0.9% and –0.5% respectively. It resulted that the overall GDP growth for 2001 was 0.4%.[4]



Sources: "Update on the Malaysian Economy, June 2002" Economic Planning Unit & The Star "Economy charts 3.8% growth in 2nd quarter" August 22, 2002

Inflationary pressure remained under control with prices, as measured by the Consumer Price Index (CPI), increasing moderately by 1.4% (2000: 1.6%). This was due mainly to the prevalence of excess capacity in several sectors of the economy, the moderate appreciation of the Ringgit *vis-à-vis* non-US dollar currencies, as well as lower imported inflation.

The banking system demonstrated greater resilience despite adverse economic conditions. In 2001, the risk-weighted capital ratio (RWCR) remained above 12% throughout the year, the net Non Performing Loan (NPL) ratio on a 6 month basis was 8.1% (11.5% on 1 3 month classification basis)[5].

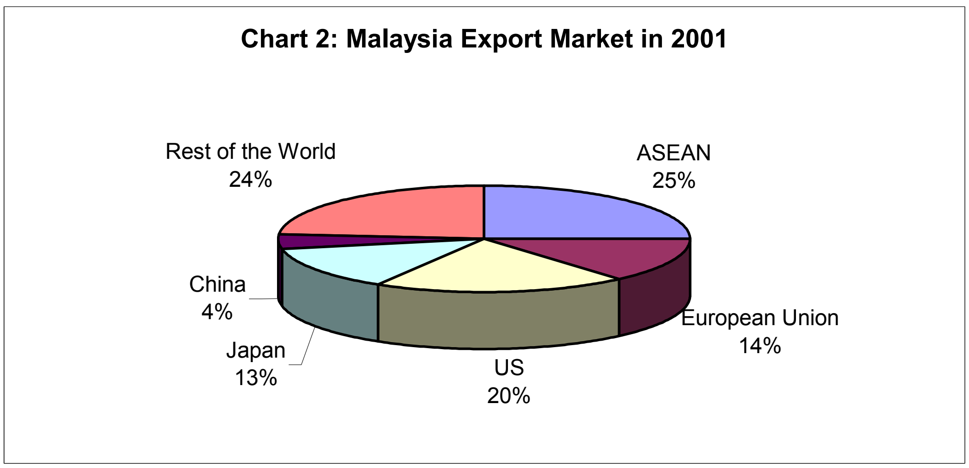
The external position remained robust in 2001. The current account remained in surplus, estimated at about 8.9% of GNP. The trade surplus and continued inflows of long-term capital

[4] 2002 Bank Negara Report and Economic Reports of Economic Planning Unit.

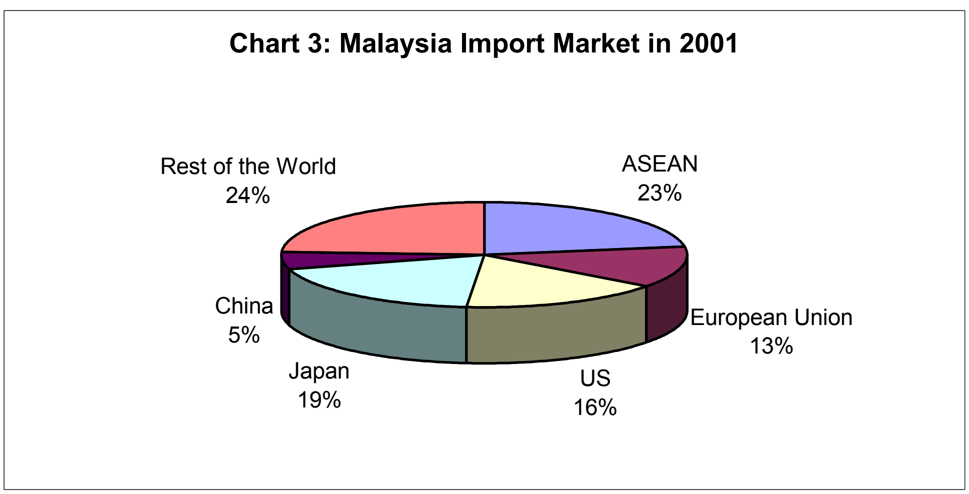
[5] 2002 Bank Negara Report

resulted in higher international reserves. By end 2001, international reserve of Bank Negara Malaysia was at US$30.8 billion. Subsequently, the reserve increase further to US$31.5 billion as at February 28, 2002. This level is adequate to finance 5.2 months of retained imports and cover 5.1 times the short-term external debt.

ASEAN countries, United States (US), Japan, and the European Union accounted 72% of Malaysia's export market. The US continued to be Malaysia's single largest export market with a share of 20% followed by Japan with 13%. In the import market, ASEAN countries, Japan, United Stated and European Union accounted 71% of Malaysia's source of imports. Japan and US remained Malaysia's most important source of imports with 35% of our goods imported from these two countries. A notable development was the significant increase in trade with the People's Republic of China, which has become Malaysia's fourth largest single country trading partner.



Sources: The Economic Report 2001



Source: The Economic Report 2001

1.4 Macroeconomics Policy

In 2001, Malaysian Government reviewed a few important economic policies, namely:
- The Third Outline Perspective Plan (OPP3), 2001 - 2010
- Eighth Malaysia Plan 2001 – 2005

- The Financial Sector Master Plan
- The Capital Market Master Plan

The Government launched the OPP3 in April 2001. OPP3 is to set the framework and strategies for economic development over the next 10 years 2001 – 2010. The primary objective of OPP3 is to build a resilient and competitive nation by strengthening Malaysia's ability to meet the challenges arising from rapid pace of globalization and advances in information and communications technology. The plan also takes into account the need to strengthen Malaysia's economic, financial and social resilience to withstand external shocks. Specifically, the OPP 3 aims to:

- Develop Malaysia into a knowledge based economy where knowledge, creativity and innovation would increase productivity growth in all sector
- Generate domestic sources of growth by strengthening domestic investment in new areas of growth, while continuing to attract foreign direct investment in strategic areas
- Re-orientation the strategies for human resource development to support a knowledge-based economy.

The Government launched the Eighth Malaysia Plan (2001 – 2005) in April 2001, which set out the first phase of implementation of OPP3. The Eighth Malaysia Plan is primarily aimed at sustaining economic growth and competitiveness in the face of growing globalization and liberalization. GDP is targeted to grow at 7.5% a year during the Plan period against the average of 4.7% a year achieved during the Seventh Malaysia Plan (1996 – 2000).

The Financial Sector Master Plan (FSMP) launched in March 2001 outlines the medium and long-term strategies for the development of the financial sector. The objective of the FSMP is to develop a competitive, resilient and dynamic financial system, based on international best practices, which would provide an enabling environment for the long- term economic expansion.

The Capital Market Master Plan was launched in February 2001 with the objective of setting the strategic position and future direction for the Malaysian capital market. There was some progress made in the area of the consolidating of the stockbroking industry and the stock exchange, disclosure-based regulation and corporate bond market development.

Overall, Malaysia concluded the year 2001 in a stronger position with signs of stabilization in the economy supported by the gradual recovery in export demand, strengthened economic fundamentals and significant progress made in addressing the long-term structural issues.

1.5 Economic Outlook[6]

Malaysia is a small open economy. The outlook for the Malaysian economy is highly dependent on the changes of the external environment. The Malaysian economy is expected to strengthen in 2002 and 2003 following a strengthening of external demand and also the surge of domestic consumption.

[6] Information are compiled from Bank Negara Annual Report 2002, papers prepared by Economic Planning Unit, Quarterly Report Executive Summary of Malaysia Institute of Research Institute (MIER), FMM's 18th Quarterly CEO Survey on Business Performance and Outlook for the Manufacturing Sector, June 2002.

Economics indicators show that economic conditions improved further to 3.5% in the first half of 2002 after averting negative growth in the last two quarters of previous year. The recovery was mainly driven by strong consumption spending, supported by the stimulus packages implemented by the Government and improving external demand following the general overall recovery in the global economy.

The growth projection for 2002 is based on stronger growth in private consumption, a modest recovery in private investment, sustained public sector expenditure and a moderate growth in exports. If the positive trend in the latest indicators for the external environment is sustained, the bias to the growth projection would be on the upside.

On the domestic front, aggressive policy measures to enhance the role of the services sector, particular in the education, tourism and information, communication and technology sub-sectors, would benefits these sectors, which in turn could further improve the GDP growth.

With the turnaround in GDP growth during the first two quarters of 2002, the Malaysian economy is set to further strengthen itself. A battery of data shows that consumption, in particular, is feeling much healthier. The Malaysian Institute of Economic Research (MIER) Consumer Sentiment Index posted a 10.6% rise in the first quarter of 2002 to breach the critical 100 point level and the Business Condition Index cross its critical 50 point level and recorded at 57 in second quarter of 2002. Passenger car sales and bank loan approvals for consumption credit have exploded. The former experienced growth of 30% in April 2002, while the latter excluding passenger cars also grew 30% for the same month.

In August 2002, FMM released the FMM's 18th quarterly CEO Survey on Business Performance and Outlook for manufacturing sector. It tracked business performance in the second quarter of 2002 against the previous quarter. The study indicated that overall performance of companies continued to improve in the second quarter of this year, consolidating the pick up registered in the first quarter of 2002. The improvements were evident in indicators such as production volume, domestic and export sales, profits, employment and investment[7].

Although the outlook is getting better, the threat of the US economy reverting to a slower growth is real, and that could pose a downside risk to Malaysia's growth going forward. If global economic recovery loses steam, then Malaysia's growth pace will be affected.

Monetary Policy

In 2002, monetary policy will remain accommodative in order to provide a conducive environment to support the economic recovery process. This policy stance is based on the assessment that balance of risks is biased toward a modest recovery in economic activities in Malaysia. With domestic inflation remaining subdued, monetary policy will continue to build on gains from the cumulative monetary easing, initiated since 1998, to ensure that the economic recovery process becomes well entrenched. On the exchange rate front, the focus of policy is to ensure that economic fundamentals continue to support the pegged exchange rate.

Given the prospect of modest economic growth and low inflation, the basic thrust of monetary policy will continue to be directed at nurturing the recovery in domestic economic activity. The conduct of monetary policy in 2002 will, therefore, focus primarily on four key considerations.

[7] "FMM Survey: Growth expected to continue in Q3: Bright Prospects for Manufacturing Sector" Business Times, August 19, 2002.

Firstly, monetary policy will aim to maintain a stable and predictable operating environment in order to facilitate business activity. It is also recognized that the maintenance of macroeconomic stability requires close co-ordination between monetary, fiscal and structural policies.

Secondly, the conduct of policy is guided by the need to ensure that the level of interest rates continues to remain supportive of economic activities.

The third consideration is the need to ensure an effective transmission mechanism from the policy rate to retail rates, in order to precipitate a faster response to the counter-cyclical policy measures.

Lastly is to ensure the availability of funds to support and to improve access to credit by the small medium enterprises, the agriculture sector and other strategic sectors under the special funds. At the same time, efforts to develop alternate modes of financing will be intensified to support the financing requirements of a knowledge-based economy, as part of the overall effort to enhance the long-term competitiveness of the economy.

In short, monetary policy will remain supportive of economic growth. Low inflation and stronger macroeconomic fundamentals help to sustain the exchange rate regime and allow monetary policy to remain accommodative.

Fiscal Policy

The 2002 Budget which was presented to Parliament on October 19, 2001 aimed at strengthening economic growth through increasing domestic demand, strengthening the private sector's resilience and competitiveness, diversifying the sources of growth and ensuring a more equitable distribution of wealth. While Malaysian economy was expected to register gradual and modest growth following the gradual recovery in external demand, it was recognized that sustaining domestic demand continued to be necessary given the downside risks to the global economy recovery. In this environment of uncertainty, fiscal policy would remain expansionary in 2002 to strengthen the economic recovery process.

In line with the objective of fiscal prudence, consolidation of the budget deficit would begin in 2002 with a less expansionary fiscal policy. The Government, therefore, budgeted for a lower fiscal deficit of –5.1% of GDP, compared with the estimated fiscal deficit for 2001 of –6.5% of GDP[8].

The fiscal deficit for 2002 would be kept at a manageable level to strike a balance between the short-term objective of supporting growth and the long-term policy of its fiscal sustainability. The fiscal deficit in 2002 is not expected to create risks to the economy, as Malaysia's economic fundamentals continue to remain strong. The fiscal expansion is not anticipated to result in higher inflation given the excess capacity in the economy.

[8] 2002 Bank Negara Report

Federal Government's debt would continue to be contained at manageable and sustainable levels (43.5% of GDP as at end 2001). Debt servicing remains low (15% of operating expenditure or 2.9% of GDP) and has not been a constraint on fiscal flexibility. Furthermore, the Government's exposure to foreign exchange risk would be kept low, as the bulk of the Government's debt would continue to be raised from non-inflationary domestic sources. With the economy on the path of recovery and given the Government's target to achieve a balance budget towards the end of Eight Malaysia Plan period, the ratio of debt to GDP is expected to decline over the medium term.

The Outlook

The outlook for the Malaysian economy rests strongly on one's conjectures as to how the sinking US financial markets will play out on the US dollar and the global economy. However, East Asia appears to regain enough strength to generate its own internal dynamic which could partially offset negative knock-off effects from the US. As such, barring any unexpected events, the GDP is expected to pick up momentum in the second half of this year, giving rise to a GDP growth of 3.5% for 2002[9]. Growth is expected to take place in an environment of low inflation and unemployment. Both the current account in the balance of payments and the Federal Government account are estimated to be at sustainable levels.

To top it off, one should expect both fiscal and monetary policies to remain extremely accommodative. The former is aided by the fact that overall public debt at 43.5% of GDP remains at very sustainable, if not at a low level. As such, the Malaysian economy is expected to remain on positive growth in 2003 with better global economy.

1.6 Investment

Malaysia has always welcomed foreign direct investment (FDI). In fact, FDI has played an important role in Malaysian economic development. In 2001, the total value of investment in the manufacturing sector approved by the Ministry of International Trade and Industry (MITI) amounted to RM24.7 billion. Foreign investment in the manufacturing sector comprised RM18.3 billion (see Chart 4).

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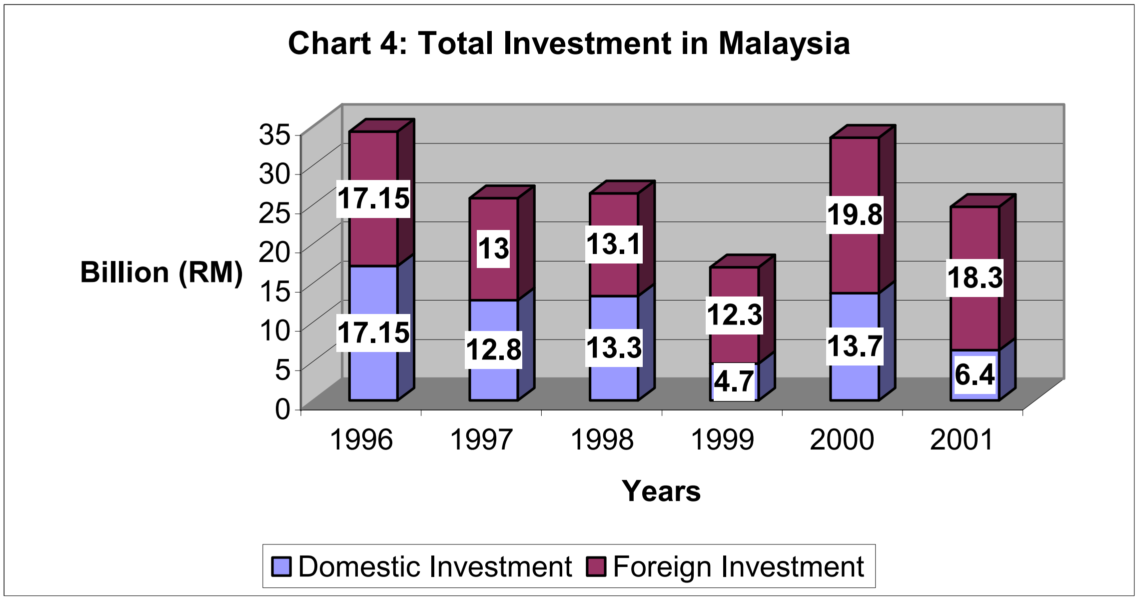
[9] The Star "Economy charts 3.8% growth in 2nd quarter" August 22, 2002



Sources: Bank Negara Report 2002

The bulk of new projects approved were in the electrical and electronic products industry; paper, printing and publishing industry, non-metallic mineral products industry, chemical and chemical products and transport equipment (see Table 1).

The top five sources of foreign investment during the year were the United States, Japan, China, Singapore and the Netherlands. These countries together accounted for 76% of total foreign investment approved by MITI.

Table 1 Major Sectors of FDI in 2001

Sectors	No of Projects	Total Investment (US$ Billion)
Electrical & Electronics	249	US$2.7
Paper, Printing & Publishing	23	US$0.8
Non-metallic mineral products	22	US$0.5
Chemical and chemical products	54	US$0.3
Transport equipment	39	US$0.3

Source: MITI

Industrial Policy[10]

The Malaysian Government has launched the Second Industrial Master Plan (IMP2) 1996 – 2005. This plan has guided the industries policy of the Malaysian Government. The Plan aims to transform the manufacturing sector into a resilient, broad based and internationally competitive sector. The Plan emphasizes two strategies:

1 Manufacturing Plus-plus strategy
- Moving along the value chain from assembly-based and low value-added activities towards higher value-added activities.
- Shifting the whole value chain to a higher level through productivity-driven growth.

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[10] All information was compiled from MITI website

2 Cluster-based Industrial Development with emphasis upon:

- Development of competitive industry clusters through integration of key industries, suppliers, supporting industries, critical supporting business services, requisite infrastructure and institutions.
- Generating backward and forward linkages, domestic spin-off and value added and development of domestic Small Medium Industries.

The Five Strategic Thrusts of the IMP2 are:

- Global orientation – adapt and respond to the changing global environment
- Enhancing competitiveness – focus on cluster development through the deepening ad broadening of industrial linkages and productivity enhancement
- Improving requisite economic foundation – focus on the development and management of human resources, technology acquisition and enhancing absorptive capacity, physical infrastructure and business support service
- Nurturing Malaysian own brand manufacturers – increased participation of Malaysian owned companies in the broad range of manufacturing and related activities specifically in the clusters that have been identified to be strategic importance
- Information- intensive and knowledge-driven processes – in manufacturing and related activities such as in R & D, product design, marketing, distribution and procurement.

Ten industry clusters were identified, namely:

- Electrical and electronics
- Automotive
- Machinery and Equipment (including Engineering services)
- Pharmaceuticals
- Petrochemicals
- Palm Oil based Products (Food) and Oil Palm based Product (Non-food)
- Wood-based Products
- Rubber-based Products
- Agro-based Products
- Aerospace

1.7 Infrastructure[11]

The greatest advantage to manufacturers in Malaysia has been the nation's persistent drive to develop and upgrade its infrastructure. Over the years, these investments have paid off and serious bottlenecks have been avoided. Today Malaysia can boast of having one of the most well developed infrastructures among the newly industrialized countries of Asia.

A landmark event was the completion of Malaysia's newest and biggest airport, the RM9-billion Kuala Lumpur International Airport (KLIA), which opened for business in mid-1998. In July 1999, Cyberjaya, Malaysia's first intelligent city and the nucleus of the country's Multimedia Super Corridor (MSC), became a reality, complete with a multimedia university to provide a pool of knowledge workers for industries.

Network of Highways

Peninsular Malaysia's network of well-maintained highways is a boon to industries. These highways link major growth centers to seaports and airports throughout the peninsula and provide

[11] Information obtained from MIDA website

an efficient means of transportation for goods. To complement these highways, a Kuala Lumpur-Bangkok-Kuala Lumpur containerized service known as the Asean Rail Express (ARX) has been initiated with the aim of expanding it to become the Trans-Asia Rail Link which will include Singapore, Vietnam, Cambodia, Laos and Myanmar before ending up in Kunming, China.

Efficient Seaports

International trade, especially seaborne trade, has traditionally been the lifeblood of Malaysia. Today, 95% of the country's trade is by sea via Malaysia's seven international ports - Penang Port, Port Klang, Johor Port, Port of Tanjung Pelepas, Kuantan Port and Kemaman Port in Peninsular Malaysia and Bintulu Port in Sarawak. Hong Kong-based Cargonews Asia placed Port Klang and Port of Tanjung Pelepas among Asia's top ten best seaports and top ten best container terminal operators.

Port Klang's central location and the government's emphasis on making the port a national and regional hub has resulted in an increasing volume of cargo, estimated at 3.2 million twenty-foot equivalent units (TEUs) for 2000, which ranks it the top 11th in the world. Port Klang's Westport has excellent deep-water facilities that allow the world's largest ships to dock without any difficulty.

Malaysia's newest port, the Port of Tanjung Pelepas (PTP), at the southern tip of Peninsular Malaysia, commenced operations in late 1999. The location of Maersk-Sealand's transhipment hub at PTP is expected to increase its annual cargo volume by 2 million TEUs. Another port, Kuantan Port on the east coast of Peninsular Malaysia, is also undergoing a 30-year expansion to meet increasing throughput from the massive petrochemical complex along the Kertih-Gebeng corridor.

Besides the physical infrastructure being in place, the electronic data interchange (EDI) in Port Klang, Penang Port and Johor Port has allowed for speedy clearance of cargo with the electronic transfer of documentation.

International Airports

Malaysia's central location in the Asia Pacific region makes her an ideal gateway to Asia. Air cargo facilities are well developed in the five international airports - the Kuala Lumpur International Airport (KLIA), Penang International Airport and Langkawi International Airport in Peninsular Malaysia, Kota Kinabalu International Airport in Sabah, and Kuching International Airport in Sarawak.

Malaysia's biggest airport, the KLIA, located 50 kilometers south of Malaysia's federal capital of Kuala Lumpur, has an initial capacity of 25 million passengers and 650,000 tones of cargo per year. Cargo import and export procedures are fully automated at the KLIA to cut down delivery time. Within a short span of two years since its opening, the KLIA was ranked number one for overall business passenger satisfaction[12] in an International Air Transport Association (AITA) survey.

[12] In the 15 to 25 million passengers per annum category

Developed Industrial Parks

Industries in Malaysia are mainly located in over 200 industrial estates or parks and 14 Free Industrial Zones (FIZs) developed throughout the country. State governments as well as private developers to meet demand are continuously developing new sites, fully equipped with infrastructure facilities such as roads, electricity and water supplies, and telecommunications.

FIZs are export processing zones which have been developed to cater to the needs of export-oriented industries. Companies in FIZs are allowed duty free imports of raw materials, components, parts, machinery and equipment directly required in the manufacturing process. In areas where FIZs are not available, companies can set up Licensed Manufacturing Warehouses (LMWs) which are accorded facilities similar to those enjoyed by establishments in FIZs.

Specialized Parks

Specialized parks have been developed in Malaysia to cater to the needs of specific industries. Examples of these parks are the Technology Park Malaysia in Bukit Jalil, Kuala Lumpur and the Kulim Hi-Tech Park in the northern state of Kedah that cater to technology-intensive industries and R&D activities.

The sprawling 1,450-hectare (3,580-acre) Kulim Hi-Tech Park is the country's first fully integrated high technology industrial park. The Park's master plan emphasizes on quality of life in a self-contained environment, which incorporates industries, R&D facilities, and a new township with full amenities such as a shopping center, a hospital, educational institutions and recreational facilities. The first phase of its industrial zone covering 250 hectares (620 acres) has been fully leased, and tenants have moved into the second phase. According to Kulim Technology Park Corporation (KTPC), the developer and manager of the park, a total investment attracted to the park has exceeded RM12 billion (US$3.2 billion).

High-Tech Telecommunications

Malaysia's telecommunications network has seen impressive expansion and upgrading during the past decade following the successful privatization of its Telecommunications Department. The latest digital and fibre optics technology is being used to provide high quality telecommunication services at competitive prices. Under the Equal Access Regime, telephone subscribers in Malaysia can choose from five network service providers for a full range of local, domestic and international services encompassing voice and data facilities.

There are also six cellular service operators providing services nationwide using various technologies including GSM 900 and PCN 1800, as well as six internet service providers who are actively investing in the relevant infrastructure to enable Malaysians to log onto the Net.

1.8 ASEAN Free Trade Area[13]

In 1992, at the fourth ASEAN summit meeting in Singapore, ASEAN’s economic minister signed the agreement on the Common Effective Preferential Tariffs (CEPT) for the ASEAN Free Trade

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[13] Extracted from Thitapha Wattanapruttipaisan “ASEAN-China Economic Relationships and Co-operation in Trade and Investment: Patterns and Potential” October 2001 and Rodolfo C Severino “The ASEAN Free Trade Area: Reaching its Targets” January 31, 2002. For further details on AFTA, please also refer to Chapter 9 International Trade of Investment in Malaysia.

Area (AFTA). The agreement embodied the commitment of the six ASEAN member-states to set up a free trade area in the region within 15 years. This meant reducing most tariffs on trade within region 0-5%, in accordance with an agreed schedule. In 1995, ASEAN moved the target year forward by 5 years. Faced with the challenge of the financial crisis of 1997 – 1998, the ASEAN leaders decide to advance the target to the beginning of 2002.

January 1, 2002 marked a milestone for AFTA and in ASEAN's history. Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand, the Southeast Asia's leading trading nations, have dropped tariffs to 0-5% on most of the products traded among them, in accordance with the tariff-cutting schedules to which they had previously committed themselves.

The lowering of tariffs to minimal levels was accompanied by a massive expansion of intra-regional trade – from US$44.2 billion in 1993 to US$97.8 billion in 2000. The average tariff on intra-ASEAN trade is now down to 3.2%. In 1999, ASEAN's leaders agreed to eliminate all imports duties among the first six members by 2010 and by 2015 for the newer members.

ASEAN's newer members – Cambodia, Loas, Myanmar and Vietnam – acceded to the CEPT/AFTA agreement upon their membership in ASEAN. They are at various stages in their respective tariff-reduction schedules.

ASEAN is moving into a new direction by establishing a new free trade area by including China and to create the biggest trading bloc in the world with population of 1.7 billion within 10 years times.

With the establishment of the AFTA and the making of ASEAN-China trade area, business opportunity in ASEAN region will rise dramatically. Since the intra-regional tariffs in the region will be reduced to between 0% and 5%, Manufacturers who have production bases within the region will be able to export freely or with minimal import duties to other ASEAN member countries. This allowed manufacturers have an instant access to the market with 500 million populations. With an integrated market, supply chains would be easier to be managed by companies. Malaysia, as a member of ASEAN and strategically located within the hub of South-East Asia, can be a springboard into the ASEAN market.

LEGEND
Capital
Major Road
Railway
Highway / Expressway
Proposed Highway
International Boundary
Domestic Airport
International Airport
Port
Peninsular Gas Utilisation Project Pipeline
Thermal Power Station
Hydro Power Station
Analogue Cable
Fibre Optic Cable
Planned Fibre Optic Cable
Branching Unit
MEASAT
(Malaysia East Asia Satellite) Control Center
LABUAN INTERNATIONAL
OFFSHORE FINANCIAL CENTRE (IOFC)
VICTORIA
TO PHILIPPINES
TO HONG KONG,
TAIWAN & JAPAN
TO HONG KONG, JAPAN,
KOREA, TAIWAN, PHILIPPINES,
INDONESIA, SINGAPORE
SOUTH
CHINA
SEA
TO ASIA PACIFIC & SOUTH EAST ASIA
Sepangar Bay
Oil Terminal
Kota Kinabalu Port
KOTA KINABALU
LABUAN
SABAH
Lahad Datu Port
Brunei
Miri Port
Bintulu Port
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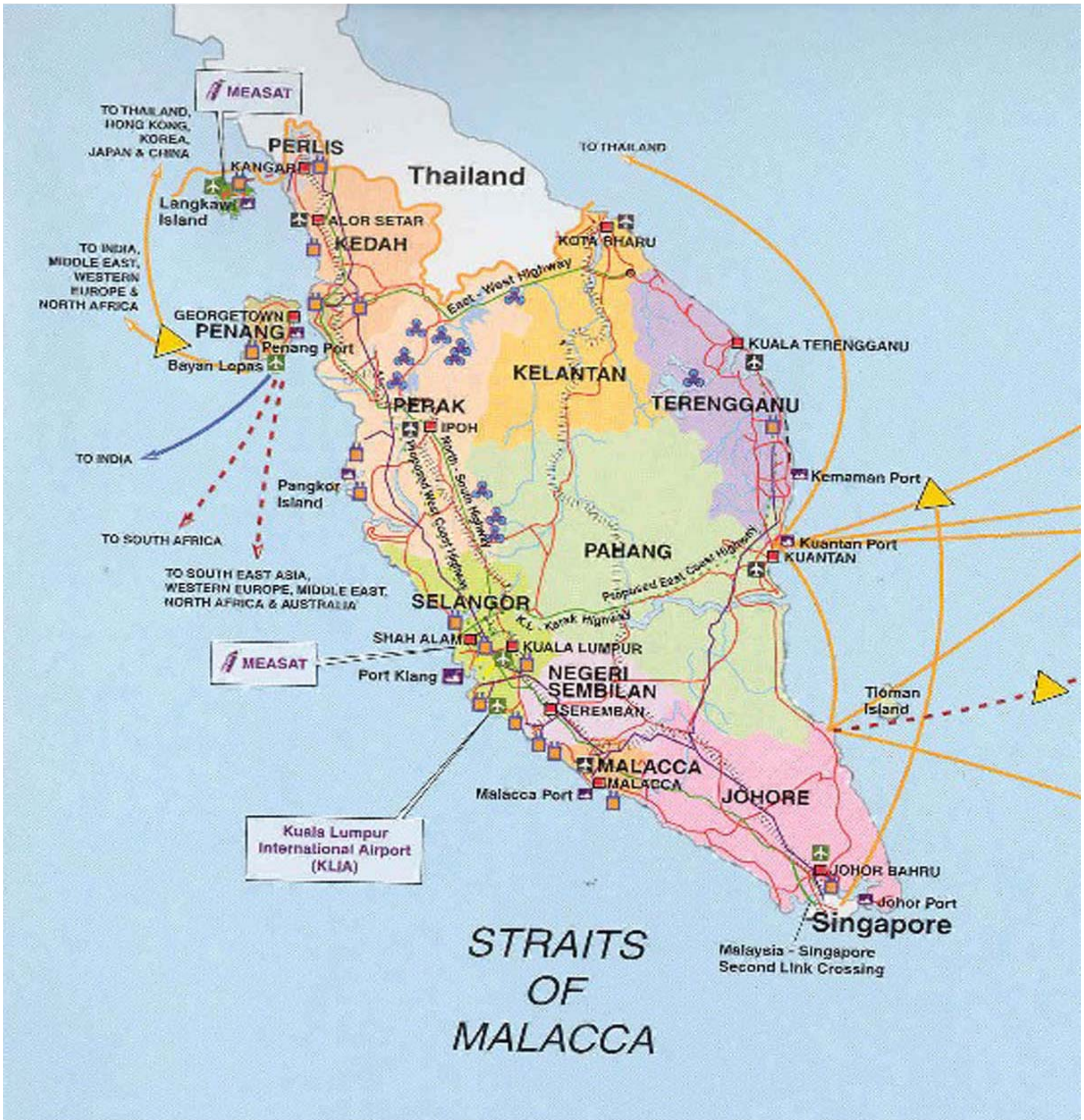
Rajang Port
Kuching Port
KUCHING
Kalimantan


MEASAT
TO THAILAND, HONG KONG, KOREA, JAPAN & CHINA
PERLIS
KANGAR
Thailand
TO THAILAND
Langkawi Island
ALOR SETAR
KEDAH
KOTA BHARU
TO INDIA, MIDDLE EAST, WESTERN EUROPE & NORTH AFRICA
East - West Highway
GEORGETOWN
PENANG
Penang Port
Bayan Lepas
KUALA TERENGGANU
KELANTAN
TERENGGANU
PERAK
IPOH
North - South Highway
Proposed West Coast Highway
TO INDIA
Kemaman Port
Pangkor Island
TO SOUTH AFRICA
PAHANG
Kuantan Port
KUANTAN
Proposed East Coast Highway
TO SOUTH EAST ASIA, WESTERN EUROPE, MIDDLE EAST, NORTH AFRICA & AUSTRALIA
SELANGOR
K.L. - Karak Highway
SHAH ALAM
KUALA LUMPUR
MEASAT
Port Klang
NEGERI SEMBILAN
SEREMBAN
Tioman Island
MALACCA
MALACCA
Malacca Port
JOHORE
Kuala Lumpur International Airport (KLIA)
JOHOR BAHRU
Johor Port
Singapore
Malaysia - Singapore Second Link Crossing
STRAITS OF MALACCA