

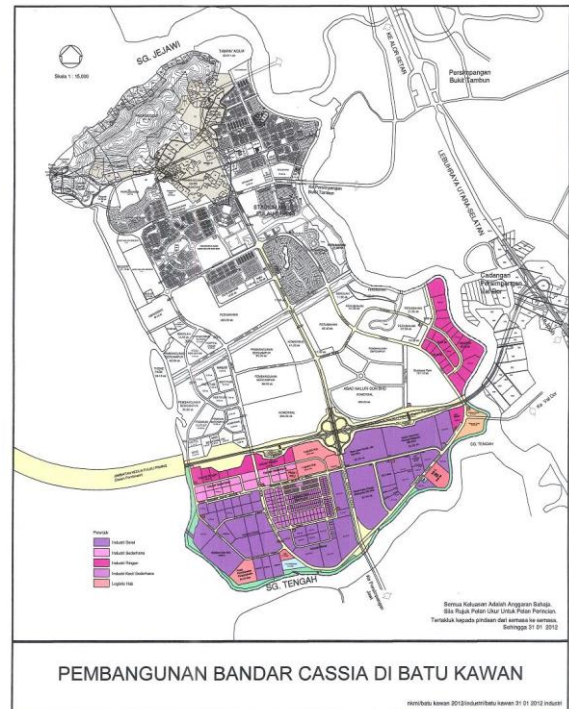
Penang Investment Updates

1st Quarter, 2013



Latest Developments in Batu Kawan

Through Penang Development Corporation, the state government is strongly promoting the 1,500 acres of technology industrial park in Batu Kawan. This park will be the lynchpin for growth in manufacturing and services sector for the next 15 years till 2030. Plans are also underway to develop an SME Village of 150 acres that offer ready-built factory units and a service centre for the development of local investors. Below are some of the developments in Batu Kawan.



For full view of the plan please visit: <http://www.pdc.gov.my/index.php/English/bkawan-ind-park>

Official Opening of Honda's New RM222 Million Motorcycle Production Plant

March 13, 2013

Construction of **Boon Siew Honda's** 222 million Ringgit one-stop motorcycle production plant in Batu Kawan, which started in the third quarter of 2011, is now completed and fully operational.

The new facility occupies a 23.7ha site and is five times larger than the previous Mak Mandin plant in Butterworth with an annual production capacity of 300,000 units. It marks a significant milestone in the company's plan to consolidate Manufacturing, Sales, Customer Service, Spare Parts and Safety Riding into one integrated location for management efficiency and greater customer satisfaction.



The facility deploys highly efficient production system with the use of advanced technologies such as a solar photovoltaic system, high coating efficiency technologies and an efficient electro deposition coating line for volatile organic compounds (VOCs). The new streamlined processes not only increase

productivity but also contribute to greater energy savings and reduction of manpower and material wastage.

Source: Honda- News release; Picture taken from: CBT Online



www.honda.com.my/

The Swiss high-tech company, **VAT Manufacturing Malaysia Sdn Bhd**, is expected to roll out its first shipment of high precision valves from its factory in Penang by April this year (2013).



<http://www.vatvalve.com/>

Malaysian Auto-motive Lighting (MAL) Sdn Bhd will be expanding their operations in Batu Kawan Industrial Park. MAL will be using the new facility to produce car lamps, rear lamps, fog lamps and other automotive accessories for the global market.



<http://www.al-lighting.com/home/>

US-based **Bose Corp**, a high-performance audio equipment maker, is investing in a manufacturing cum development facility in Malaysia, its first in the Asia-Pacific, to expand its business in the region- the company's fastest-growing market.



<http://global.bose.com/index.html>

Expansion – Largest Intel office outside US uses new design standard

February 20th, 2013

Intel Malaysia opened the doors to its PG7 building, its largest outside the United States to incorporate the Corporate Office Standard.

Retrofitted from one of its existing properties in the island's Free Industrial Zone, the building boasts 153,000sqft of office space which is expected to house more than 10% of Intel Malaysia's employees, once it's in full operation.

The company wants to make its working environment to be more effective, efficient, productive and enjoyable for its employees, said

Robin Martin, managing director.

The new office design includes flexible work areas and more conference rooms, as well as areas to encourage creativity and collaboration, he said.

The building is eco-friendly too, as over 18,000 tons of reused and recycled materials were used in the construction — that's equivalent to around 2,570 truckloads of potential waste diverted from landfills.

Intel Malaysia's operations are conducted out of a high-tech campus with 10 buildings on the Penang island, as well as on the mainland in Kulim, Kedah.

Source: *The Star*; Picture by *Digital News Asia*



Pics (from left): The Rt. Hon Chief Minister of Penang Mr Lim Guan Eng; Penang Deputy Chief Minister II Dr Ramasamy Palanisamy; and Intel Malaysia managing director Robin Martin viewing a flexible workstation at the Intel PG7 building



The Launching of Coffee Table Book on 40 years of Penang's Industrialisation

29th March, 2013

Penang Development Corporation, with the assistance of Penang Institute published the coffee table book celebrating 40 years of Penang's Industrialisation with the theme – *'Building Penang, Leading Malaysia'*.

The objective of the book is to place on record Penang's industrialisation success that started with the vision of Tun Dr. Lim Chong Eu to position Penang on the world industrial map.

This continued with the present State



Pic: The Rt. Hon Chief Minister of Penang Mr Lim Guan Eng at the launching ceremony of PDC's "40 Years of Penang's Industrialisation" coffee table book.

Government's efforts in promoting Penang as a centre of excellence for knowledge-intensive companies focused on science and technology. In addition, the State Government is also nurturing human talents along with promoting Penang's livability.

The book traces the economic transformation of Penang and the founding of PDC in the 70s, the development and growth of industrial parks in Penang by PDC and Penang's human capital and talents inclusive of Penang Science Council and PSDC. The coffee table book also covers Penang's livability inclusive of culture, lifestyle and food, and mapping the future for Penang as a sustainable, intelligent international city.

Penang attracted RM36.1 Billion during the 5 years period between 2008 till 2012.



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Second Penang Bridge

The Second Penang Bridge, which will connect Batu Kawan on the mainland Seberang Perai and Batu Maung on Penang Island is two months ahead of schedule and is currently 90.4% completed, according to Jambatan Kedua Sdn Bhd (JKSB).

Jambatan Kedua Sdn Bhd (JKSB) chairman Tan Sri Dr Sulaiman Mahbob said that the new bridge is expected to reduce the traffic congestion on the current Penang Bridge by 25% to 30% and can cater up to 100,000 vehicles per hour.

Apart from being the longest bridge in South-East Asia, it would also be the 20th longest bridge in the world.

The bridge is scheduled to be joined at the mid-span in March while the toll plazas, levelling and other infrastructure are expected to be completed by June or July 2013.



Source: *The Star*

SME Development

Penang SME Centre

Having been cited by Malaysia SME as the only State in Malaysia to emphasise on SME development, the State of Penang further highlighted the importance of the role SMEs play by successfully launching the Penang SME Centre at Bayan Lepas Industrial Park.



Pics: The Penang SME Centre (Left); Innogrity Sdn Bhd (Right), the first company to occupy the Penang SME Centre

The Penang SME Centre is the second phase of the State's 3-prong approach for SMEs development. The state government recognizes the need for local SMEs to have proper premise to start-up their business as well as develop a mentoring system in order to assist them to penetrate the market. On September 13, 2012, The SME Centre at Bayan Lepas was officially opened and is made ready for occupancy. The SME Centre serves to incubate promising and innovative SMEs and more importantly is rented out to qualified SME start-ups at subsidized rates ranging from RM1.50 to RM1.80 psf.

Besides providing proper premise at highly-subsidised rates, tenants of the SME Centre will enjoy potential benefits that include:- tapping into investPenang's industry network of venture capitalists, research institutions, potential market opportunities and intelligence, business mentoring services provided by members of the Penang Science Council Committee comprising of successful industrialists and industry captains, priority lane for purchase of industrial land from PDC, other shared facilities such as meeting rooms, potential human resource, finance and IT outsourcing and opportunities to be showcased by investPenang to potential investors, MNCs and local large companies.

The SME Centre is a collaborative effort of the Penang Development Corporation (PDC) and investPenang. For enquiries, please contact Ms Lim Lih Lih or Mr Alex Feaizi from the S.M.A.R.T Centre @ investPenang at 04-6409988 or 04-6409989; or Penang Development Corporation at 04-6340111.

(For more information):

<http://smartpenang.my/>



Planet NI by National Instruments

Planet NI is a National Instruments program designed to empower engineers in emerging countries to achieve sustainable prosperity by providing increased access to NI technology.

InvestPenang met up with Ms Eloisa Acha, Program Director and Mr Kaw Kiam Leong, District Sales Manager of National Instruments to find out more on the Planet NI initiative which is aimed to assist the development of local SMEs to the next level.



Please explain the Planet NI programme.

Eloisa: The Planet NI programme is an extension of our mission as a company to empower engineers with productive tools to accelerate their innovate and discovery process. As a company we provide tools for designing new measurement, test and embedded systems.

Now, if we look specifically at the needs of emerging countries that are developing to become innovation driven economies, we see that the small and medium companies (SMEs), the entrepreneurs and the start-ups are the areas that require support and enhance their capabilities. So that is the focus of the Planet NI programme – to empower engineers specifically in emerging countries for the purpose of providing sustainable prosperity through the use of National Instruments technology.



How can the local companies benefit from this programme?

Eloisa: Local companies can benefit from access to the technical tools and consultation which is our core, but also the network with the local industry. Because just like Kiam Leong can visit a small and medium company that is starting, but he also visits the Multinationals which are our customers. So then that linkage and connection between the needs of the local industry and the available technical expertise of the small and medium companies or the entrepreneurs is a lot of what can happen – the connection. Our goal is also to collaborate with other organisations both government or non-government organisations and companies which are trying to foster the entrepreneur side of the local industry.



Pic (From Left): Mr Kaw Kiam Leong and Ms Eloisa Acha from National Instruments

What are the financial commitments that the companies have to make for their involvement in the programme?

Eloisa: They need to submit a plan and pass the qualifying process. Then, we will enter into a partnership and a collaboration period where the commitment from our side is the access to hardware and software, training, technical consulting, access to the local marketplace as well as the global market place because once the company graduates, the company goes on our website on NI.com. They are then instantaneously visible by customers all over the world. So that's on our side.

Now the commitment that we ask on the other side (SMEs) is that they use our technology and provide feedback along the way. First and foremost, they have to be able to disclose some of their financial information and their plans for their projects and their company. This is mainly because we want to make sure that there's compatibility between the technology and long term plans of the SME. - So both financial and technical disclosure.

Finally companies purchase the necessary hardware and software, and this depends on the project. We also ask them for the ability to be able to market the project after it is done. So, we also ask for their commitment to be able to talk about the company and the project.

If any local companies are interested in being involved in Planet NI programme, could you brief us on the step by step process that they would have to go through?

Eloisa: First, they need to apply through our website or directly with our local engineers. Then, they need to go through a qualification process involving the interview and sharing of information from both sides. Once the company is accepted into the programme, there is the development phase, and there is where a lot of the support comes in (the hardware, software and the technical consulting and technical support).

Finally there will be a graduation period when the prototype is final. The reason why we have the graduation period is twofold. The objective of the programme is to help nurture specifically the beginning stage. But the other is that we continually want to help more SMEs and entrepreneurs. So the idea is that once these entrepreneurs and SMEs graduate, they can free up resources for other new start-up companies.

Please share with us your success stories on companies who have benefited from the Planet NI programme.

Eloisa: We have several. We have been surprised by the ability and potential of engineers to be able to quickly innovate with our platform and create something and solve important challenges once the tools and the environment is ready.

A recent example that I can give comes from a small company in Pune, India. It is a start-up with just 2 engineers and they are using LabVIEW, which is our development software and single-board RIO (*pic*) which is an embedded control platform for measurements and control. They are trying to solve the refrigeration challenge faced by milk dairies have in India. They have designed a battery for storing



Pic: NI Single-Board RIO

energy to cool milk.

In India, milk is a vital part of their diet. It is also the livelihood of thousands of farmers especially in rural and far away villages. The way that the distribution system works in India is that all of these small farmers produce just a few litres of milk and carry them to collection centres. But then the large dairies have trucks that schedule routes and you can imagine with the infrastructure and traffic, there are many challenges to collect the milk on time in the state where it is still usable and healthy. The longer the milk is sitting there, obviously it is not healthy – and the dairies lose money. Farmers must also schedule their delivery time just right to get paid for their product. At the end of the day, it affects badly towards the customers too because less milk means it would be more expensive. So if you look at all the people that get affected by this problem – it's pretty large.

This small company in Pune has developed this cooling system that basically overcomes one of the main challenges, which is the unreliable electricity to chill the milk. The cost would be prohibitive for many farmers to have a cooling system. So what they have done is they have created an affordable refrigeration system that will be used at different collection points in villages. It also replaces diesel generators, in this case which was an alternative solution but also with high cost.

They have actually just developed their first prototype and they have plans for deployment. That is one example of a completely new product that was designed to solve a very local but a very large and important problem for the Indian marketplace. So that is one and recent example that came to mind. Now these 2 engineers have just recently hired 3 more engineers and 2 students. They are also generating jobs for the engineering graduates in India as well.

For full information, please visit National Instruments website @ <http://www.ni.com/company/corporate-responsibility/planetni/access.htm>

Talk To Us!



www.investpenang.gov.my

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