



LJMBA Visit to Malaysia



L.J. INSTITUTE OF MANAGEMENT STUDIES

LJMBA 2013



A Report on LJMBA Visit to Malaysia 2013



LJMBA Visit to Malaysia



Kind Acknowledgements

We wholeheartedly would like to thank.....

- All the Malaysian Universities, Malaysian International Chamber of Commerce and Industry (MICCI), Malaysia Indian Business Association (MIBA), Sir. Tony Fernandes, CEO, Air Asia, Indian International Bank Malaysia (IIBM) and various Business Houses and their executives who helped us make the visit so successful.
- Gujarat Chamber of Commerce and Industry (GCCI).
- Honorable Vice Chancellor Dr. Akshai Aggarwal for meeting us before the visit, supporting and believing in us.
- Dr. Siddharth Singh Bist, Dean, LJ MBA for always being there whenever needed.
- Dr. P.K. Mehta, Director, LJ MBA for his guidance and support.
- Dr. Manish Shah, Vice President, L. J. Group of Institutes for providing us with constant motivation, resources and insights.



LJMBA Visit to Malaysia



Malaysia...

To know Malaysia is to love Malaysia - a bubbling, bustling melting-pot of races and religions where Malays, Indians, Chinese and many other ethnic groups live together in peace and harmony. Our multiculturalism has made Malaysia a gastronomical paradise and home to hundreds of colorful festivals. It's no wonder that we love celebrating and socializing. As a people, Malaysians are very relaxed, warm and friendly.

Geographically, Malaysia is almost as diverse as its culture. 11 states and 2 federal territories (Kuala Lumpur and Putrajaya) form Peninsular Malaysia which is separated by the South China Sea from East Malaysia which includes the 2 states (Sabah and Sarawak on the island of Borneo) and a third federal territory, the island of Labuan.

One of Malaysia's key attractions is its extreme contrasts which further add to this theme of 'diversity'. Towering skyscrapers look down upon wooden houses built on stilts while five-star hotels sit just metres away from ancient reefs.

Rugged mountains reach dramatically for the sky while their rainforest-clad slopes sweep down to floodplains teeming with forest life. Cool highland hideaways roll down to warm, sandy beaches and rich, humid mangroves.

For the perfect holiday full of surprises, the time is now, the place is Malaysia.



LJMBA Visit to Malaysia



How it started...

International study tour for Malaysia was organized from 19/03/2013 to 30/03/2013 for 34 management students including Semester 2 and 4 both under the guidance of two faculty members of MBA Prof. Abhijeet Singh, Prof. Bilva Desai Singh.

It was planned to visit 5 universities and 4 corporate units of Malaysia within span of 7 days. These special 36 people including students and faculties both together had gathered information for bilateral trade relationships between both countries, about culture, tourism and upcoming –fast-growing sectors of Malaysia.

Prof. Abhijeet Singh had approached several universities and corporate located in Kuala Lumpur and from that few had given positive responses including Sir. Tony Fernandes CEO, Air Asia. Students were prepared and made detailed study and presentations regarding Bilateral Trade relations between India and Malaysia, Opportunities in terms of business venture, culture, and topics to be covered as part of GCSR project of GTU.

Objectives:

Objectives from Students Perspective:

- To understand the teaching and learning process of Malaysian Universities
- To understand Malaysian Culture, Market structure and environment of country to identifying Business Opportunities.
- To identify emerging sectors, visit corporate houses and understand the working environment of doing business in Malaysia.
- To get practical exposure for the students in terms of teaching, interacting with corporate and understanding the Malaysian culture.
- To prepare Global Country Report as part of 3rd and 4th Semester requirement of GTU for Malaysia.

Objectives from GTU and Lok Jagruti Kendra Perspective:

- To identify Opportunities of doing business in Malaysia, help and assist students for their startups in Malaysia.
- To get tie-up's, Strategic Alliances, MOU's with Malaysian Universities and colleges in areas like management, engineering, technology and pharmacy.
- To identify opportunities in terms of International Internships and Final Placements for students in various disciplines.



LJMBA Visit to Malaysia

About Malaysia

Key Facts and Economic Indicators

- * **Currency:** Ringgit (RM)
- * **Population:** 29,179,952 (July 2012 est.)
- * **Budget:** revenues: \$59.22 billion
expenditures: \$75.31 billion (2012 est.)
- * **Inflation Rate** (Consumer Price): 1.9% (2012 est.)
- * **GDP (Real Growth rate):** 4.4% (2012 est.)
- * **Investment (Gross fixed):** 25.2% of GDP (2012 est.)
- * **Tax and other revenues:** 19.3% of GDP (2012 est.)
- * **Industrial Production Growth Rate:** 1.4% (2011 est.)

Total Exports: \$239.8 billion (2012 est.)

- * **Export Commodities** - electronic equipment, petroleum and liquefied natural gas, wood and wood products, palm oil, rubber, textiles, chemicals
- * **Export partners** - China 13.1%, Singapore 12.7%, Japan 11.5%, US 8.3%, Thailand 5.1%, Hong Kong 4.5%, India 4.1% (2011)

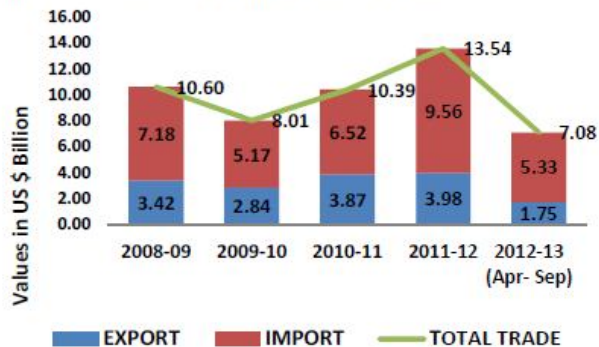
Total Imports: \$197.2 billion (2012 est.)

- * **Import Commodities:** electronics, machinery, petroleum products, plastics, vehicles, iron and steel products, chemicals
- * **Import Partners:** Singapore 13.2%, Singapore 12.8%, Japan 11.4%, US 9.7%, Indonesia 6.1%, Thailand 6%, South Korea 4% (2011)

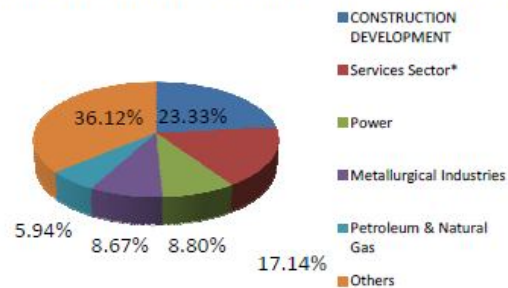
Source: Central Intelligence Agency (CIA) World fact Book

Malaysian Initiatives to Foster Investment & Trade

Bilateral Trade Between India & Malaysia



Share of Top Sectors Attracted Maximum FDI Equity Inflows From Malaysia to India (from April 2000 to Aug 2012):



*Services sector includes Financial, Banking, Insurance, Non Financial / Business, Outsourcing, R&D, Courier, Tech. Testing and Analysis

FDI Inflows from Malaysia into India

- * **Cumulative FDI Equity Inflows from all countries received in India during April 2000-2012 (up to Aug 2012) were US\$ 179.02 billion** out of this, FDI inflows from ASEAN Countries are US\$ 19.15 billion which represents 10.69% of the cumulative inflows received.
- * Share of Malaysia in FDI Equity Inflows from April 2000 to Aug 2012:
 - **Total FDI Inflows from Malaysia:** US\$ 313.21 million
 - **Percentage share of total FDI inflows:** 0.17%
 - **Rank:** Malaysia ranks 28th

Source: DIPP, Ministry of Commerce & Industry, GoI

Potential Sectors for investments between India & Malaysia

- * Infrastructure Sector
- * Healthcare, Drugs & Pharma
- * Biotech
- * Services (Consultancy etc)
- * Automobiles
- * Agriculture & Food Processing
- * Tourism
- * Education
- * Small and Medium Industries
- * Banking and Finance
- * Textiles & Garments



LJMBA Visit to Malaysia

Bilateral Agreements between India & Malaysia

Some bilateral agreements are signed between India & Malaysia in & after 2010. They are:

- * Agreement towards implementing Comprehensive Economic Cooperation
- * India-Malaysia Comprehensive Economic Cooperation Agreement (CECA) 1st July 2010
- * MoU on Cooperation in the field of Traditional Systems of Indian Medicine
- * MoU on Cooperation in the field of Tourism
- * MoU on Cooperation in the field of IT & Services
- * Cultural Exchange Programme (CEP) and
- * Agreement between CSIR of India and UNIK of Malaysia
- * MOU on Higher Education was signed on 20 January 2010
- * MoU on Cooperation relating to the Provision of Technical Assistance Services on Highway Management and Development

Source: Directorate General of Foreign Trade, GOI

Major Indian Companies in Malaysia	Major Malaysian Companies in India
<ul style="list-style-type: none"> * Tata Steel International Ltd * Reliance Asset Management (Malaysia) SDN BHD * Ranbaxy laboratories Ltd * Glenmark Pharmaceuticals Ltd. * GMR Group * IRCON International Ltd * Ballarpur Industries Limited * Larsen & Toubro * WIPRO * Veeda Clinical Research Organisation * Aptech Ltd <p>There are over 100 Indian companies including 60 Indian joint ventures operating in Malaysia.</p>	<ul style="list-style-type: none"> * Maxis * PETRONAS * Astro All Asia Networks Plc * Ranhill Bhd. * Mudajaya Group * Asian Gateways Construction Sdn Bhd * Khazanah Nasional Berhad * Sunway Group * UMW Holdings Bhd * UMW Corporation Sdn Bhd * UEM Builders Bhd * IJM Corp. Bhd * Scomi Engineering Bhd

Source: High Commission of India, Kuala Lumpur, Malaysia

Political Scenario of Malaysia

<ul style="list-style-type: none"> * Head of State: King - Tuanku ABDUL HALIM Mu'adzam Shah (selected on 13 December 2011; installed on 11 April 2012); <i>the position of the king is primarily ceremonial</i> * Head of Government: Prime Minister Mohamed NAJIB Bin Abdul Razak (since 3 April 2009) * Minister of International Trade and Industry: Dato' Sri Mustapa Bin Mohamed (Since 10 April 2009) 	<ul style="list-style-type: none"> * Government Type: Constitutional Monarchy * Legal system: Mixed legal system of English common law, Islamic law, and customary law; judicial review of legislative acts in the Supreme Court at request of supreme head of the federation * Governance structure: Malaysia is a federal constitutional elective monarchy. The system of government is closely modelled on that of the Westminster parliamentary system, a legacy of British colonial rule.
---	--

Source: CIA country fact sheet



LJMBA Visit to Malaysia



Day 1

First group was consisted of 22 students and Prof. Bilva Desai Singh. All 23 people reached Malaysia on 21st march at 6.00 pm as per the Malaysian timings.

Day 2

Second day was full of excitements and visit to Kuala Lumpur University was also organized. University of Kuala Lumpur was situated in the heart of the city.

University of Kuala Lumpur (UniKL) is a **multi-campus university technical university** with its main campus based in Kuala Lumpur, Malaysia. UNIKL is Rated as a **Tier-5 "Excellent University" by the Ministry of Higher Education Malaysia** in 2009 and 2011, UniKL has 12 institutes spread across 11 campuses throughout Malaysia in Kualalumpur, Gombak, Cheras, Bangi, Kaiang, Sepang, pasir Gudang, Ipoh, Lumut And Kulim. The campus is spread over 100acre and building is having 32 floors. We met Ms. Noor Azisa ,Incharge of International affairs at UniKL. She was a leading person during the meeting and introduced to a Dean, management area.



Ms. Bilva Desai Singh presenting Memento





LJMBA Visit to Malaysia

Day 3

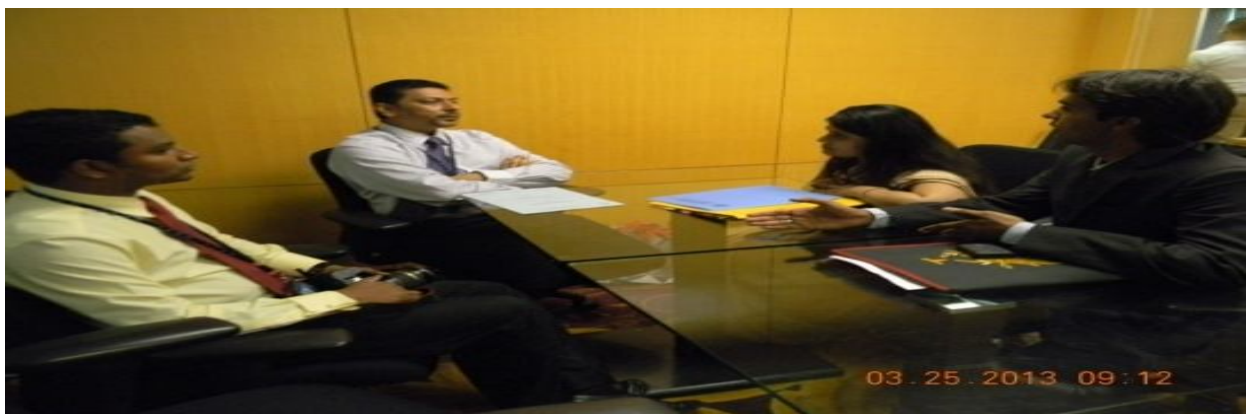


All students and faculties together visited Asia Pacific University (A.P.U) on 23/03/2013.

The **Asia Pacific University of Technology & Innovation (APU)** is amongst Malaysia's Premier Private Universities, and is where a unique fusion of technology, innovation and creativity works effectively towards preparing professional graduates for significant roles in business and society globally.

APU has earned an enviable reputation as an award-winning University through its achievements in winning a host of prestigious awards at national and international levels.

APU was announced as among the **Highest Rated Universities in Malaysia, being rated at TIER 5 (EXCELLENT) under the SETARA 2011 Ratings by the Ministry of Higher Education (MOHE) and Malaysian Qualifications Agency (MQA)** which was announced by the Minister of Higher Education, Datuk Seri Mohamed Khaled Nordin on 1st November 2012.



Prof. Bilva Desai Singh and Prof. Abhijeet Singh, discussing the educational perspectives of Education in India and Malaysia followed by discussion on MOU.



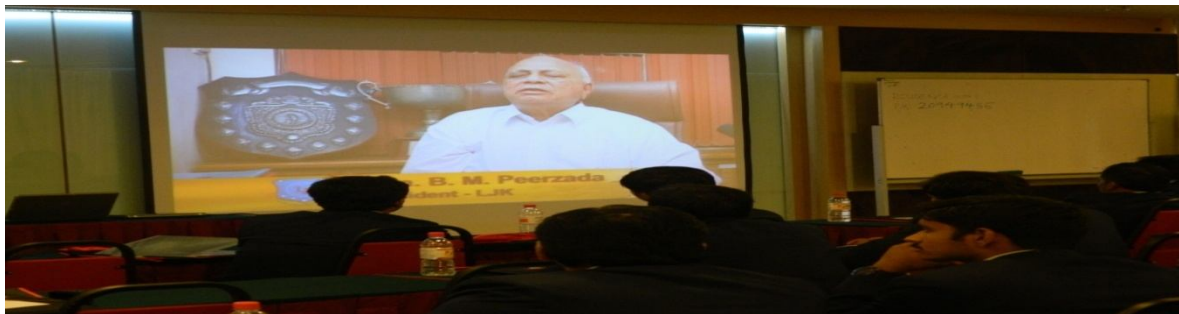
LJMBA Visit to Malaysia

Day 4 (visit to Help University)



Introduction

It was established on 1ST APRIL 1986. HELP University offers a wide and diverse range of programs covering business, law, management, economics, IT, social sciences and the humanities at undergraduate and graduate levels. They are having collaborations with Denmark, Germany, UK, USA, Australia, and China for student exchange and faculty exchange. We all had a very interactive Sessions with Vice president MR STEPHEN WU GHEE KEAN and there faculty members. Vice president had given a detailed presentation about their university and shown an interest in starting a new course with LJK in management or entrepreneurship. Prof Abhijeet Singh had also given a brief Introduction of LJK and also discussed various points for collaboration with them.



Prof. Abhijeet Singh presenting Memento to Mr. Stephen Wu Ghee Kean Vice President Help University.



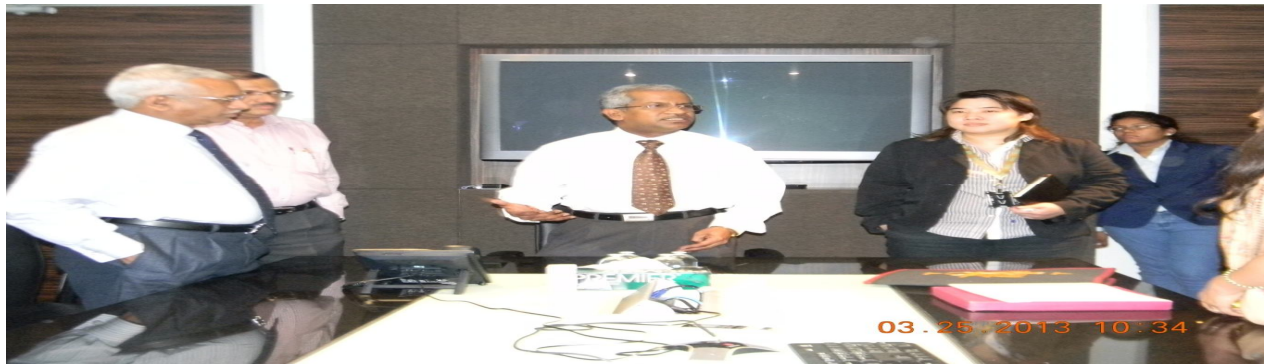
LJMBA Visit to Malaysia



Day 5

Indian International Bank and Citibank Malaysia

- **India International Bank Malaysia Berhad (IIBM)** is a locally incorporated full-fledged Commercial Bank which commenced business on 11th of July 2012.
- IIBM is a Joint Venture of 3 large Indian Government owned banking institutions.
- Bank of Baroda (40%), Indian Overseas Bank (35%), Andhra Bank (25%)
- IIBM provides business loans for business expansion, working capital requirements and purchase of building premises & machinery catering to a wide range of enterprises from Small and Medium Enterprise (SMEs), Commercial and Corporate Customers



Islamic banking in Malaysia

The first Islamic bank was established in Malaysia in 1983. In 1993, commercial banks, merchant banks and finance companies began to offer Islamic banking products and services under the Islamic Banking Scheme (IBS banks). The IBS banks have to separate the funds and activities of the Islamic banking transactions from the non-Islamic banking business (conventional banking). We were able to understand the actual operations of Islamic Banking and it was very kind enough by IIBM to hand us a confidential booklet on Islamic Banking structure for our reference.





LJMBA Visit to Malaysia

It was a close loop confidential visit to CITIBANK Malaysia. CITIBANK Malaysia professionals had shown their different functional units and explained different operations to LJ MBA students. They had also discussed features of Islamic banking compare to conventional banking. During 45 minutes visit they had also discussed the concept of profit sharing in Islamic banking. We had presented our memento as a token of appreciation.

Day 6 (University of Malaya)



Prof. Abhijeet Singh interacting with the dean of Faculty of Management.

The **University of Malaya** (or **UM**) is a public research university located in Kuala Lumpur, Malaysia. It is the oldest university in Malaysia. The university's name was abbreviated as *Malaya* during the pre-independence period. The university was founded in 1949 as a public-funded tertiary institution. Today, it has more than 2,500 faculty members. In 2012, UM was granted autonomy status by the Ministry of Higher Education. In 2011, UM was ranked at 401 to 500 in the Shanghai Jiao Tong University's 2011 Academic Ranking of World Universities (ARWU). And the THES – QS World University Rankings has ranked UM in the top 200 universities of the world.

University of Malaya has agreed to sign an MOU with GTU for collaboration in Research Areas, assistance in GCSR study, internship in Malaysia.



LJMBA receiving memento from UM



LJMBA Visit to Malaysia



Visit to Air Asia



Sir. Tony Fernandes, Group CEO, Air Asia.

We all were fortunate to visit a head office of Asia's fastest growing Airline Air Asia. We had dropped mail to all the corporate houses in Malaysia for the purpose of our visit and to our amazement we got an overwhelming and immediate reply from Sir. Tony Fernandes group CEO, Air Asia where he arranged and granted us the permission to visit their office and a special LCCT (low cost carrier terminal) at Kuala Lumpur, Malaysia. The officer present there at the time of visit had shown their corporate presentation which was very informative in terms of their HR practices and strategy of success. We were given a very special presentation prepared by Sir. Tony Fernandes himself, to pass it on to us, which covered our objectives in terms of our visit to Malaysia and success of Air Asia. They had openly discussed their SWOT analysis by their own management. Even they had discussed their key problems of seating space and walking distances while maintaining low cost terminals. In spite of all problems they are still managing to be no 1 low cost air lines. Sir. Tony Fernandes himself was not able to meet Students and faculties due to his prior commitments but he had promised to visit a LJ campus whenever he would be in Ahmedabad. He had also distributed free F1 race coupon to our students where they were a main sponsor which was a grand crystal stand tickets with all day access to all the transportation, VIP access and food which costs around Rs. 33,500 in INR.



Air Asia premises



LJMBA Visit to Malaysia

List of Universities Visited



List of Business Houses Visited...



SPM Metal Alloy



List of Trade Institutions visited in Malaysia

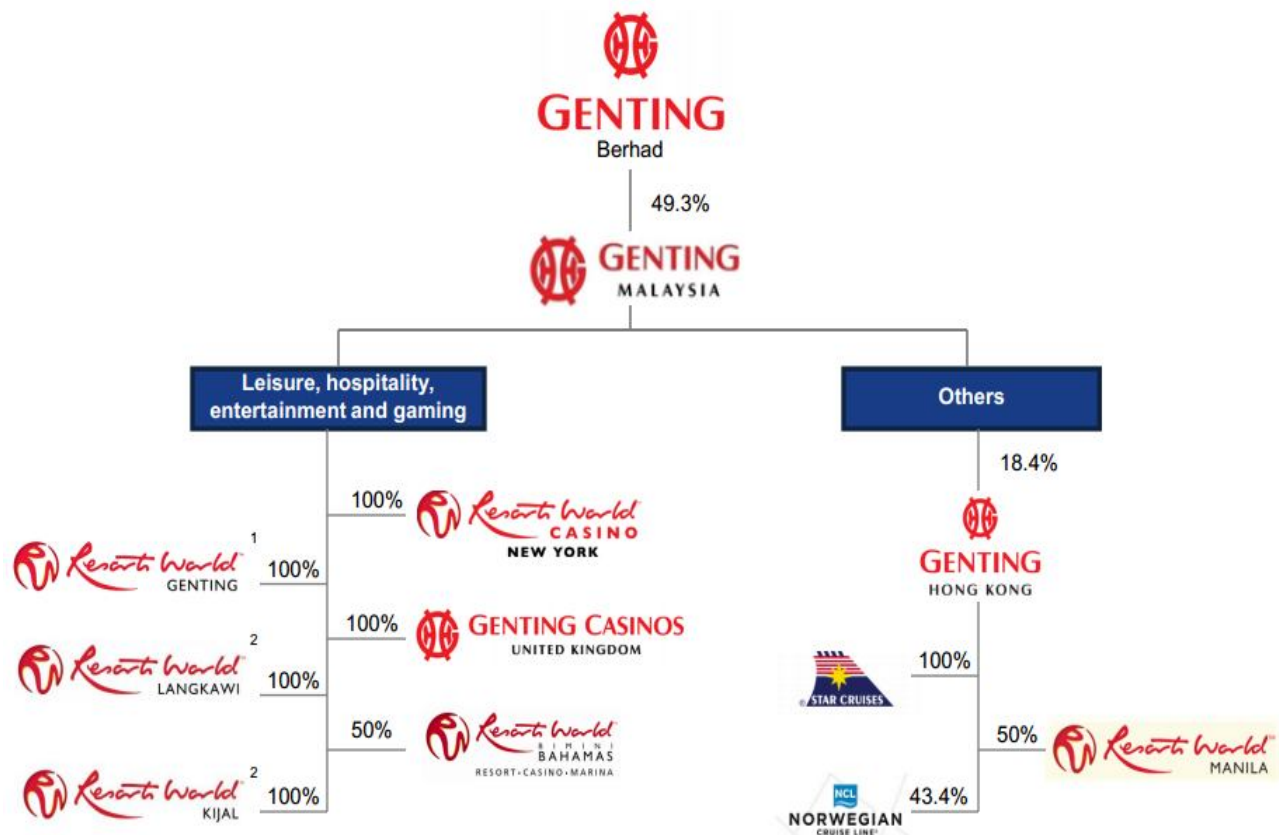


Interacted with Mr. Letchmikanthan Russell, Secretary General MIBA on 24/03/2013 where we interacted with 3 entrepreneurs from the area of Infrastructure, Banking and Manufacturing.



Visit to Genting Highlands...

Resorts World Sdn Bhd, a private company limited by shares (Co. number 58019-U), was incorporated on 7 May 1980 under the Companies Act 1965. Upon conversion into a public company in 1989, its name was changed to Resorts World Bhd (1989 - 2009), and subsequently Genting Malaysia Berhad (“Genting Malaysia”). In 1989, Genting Berhad and Genting Malaysia underwent a restructuring exercise, which resulted in Genting Malaysia acquiring from Genting Berhad its entire gaming, hotel and resort-related operations, inclusive of goodwill and other relevant assets. GENM’s shares have been traded on the Main Market of Bursa Malaysia since its listing on 22 December 1989. *Market capitalisation of approx. RM22 billion (USD7 billion). Listed on the Malaysian Stock Exchange.*



¹ Includes Awana Hotel ²

² Formerly known as Awana Hotels & Resorts

We got an insight of how they started, operational perspectives in Malaysia, USA and UK Financial highlights, capital management strategy, Global prospects and focus areas, Tourism market.



LJMBA Visit to Malaysia



Learning Outcomes...

- We are able to understanding the teaching and learning process of Malaysian Universities
- We were able to identify emerging sectors, and understand the working environment starting up and doing business in Malaysia.
- Got practical exposure to the students in terms of teaching, interacting with corporate and understanding the Malaysian culture.
- This visit helped GTU and LJK in terms of various Tie-up, Strategic Alliances, MOU's with Malaysian Universities and Corporate houses in areas like recruitment, consulting, management, engineering, technology and pharmacy.
- Visit has become a benchmark in terms of identification of opportunities in terms of International Internships and Final Placements.
- This visit will help the students prepare Global Country Report as part of 3rd and 4th Semester requirement of GTU for Malaysia.
- Two of our students Mr. Sahad Mansuri and Mr. Ushabh Mehta have already started their business venture in areas of Fashion accessories, spices, and frozen halal products to cater to Indian and other International markets and few others are too in the finalizing stages.
- We at LJK have become experts in areas of identification of sectors to invest in, how to start business in Malaysia, legal implications, procurement of licenses and corporate tie ups wherein we can also help any financial investor or Venture Capitalist identify the best opportunities in terms of Indian and Malaysian perspective and help them develop their own business venture.



LJMBA Visit to Malaysia

LJMBA in Malaysia

