

Facilitating business formation key to global competitiveness

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Awarding due recognition to SMEs

Charlotte Robert speaks to several SME awarding bodies in Malaysia to make sense of the invasion of awards in the market these days.

In recent years, it's becoming painfully obvious that there is an evident increase of awards in Malaysia for small medium enterprises.

With the influx of such awards and the various selection criteria's, the question is: How does an SME recognise the difference between quality awards and those perceived as otherwise? The respective SME awarding bodies shed some light on the subject.

Jennifer Chan, chairperson of the Council Putra Brand Awards Brand (PBA) and group chief executive of BBDO Proximity Malaysia believed that there are too many SME awards and awarding bodies in the market currently and there are numerous brand awards being given out these days for a fee.

Having said that, Chan went on to explain that the PBA, initiated by the Association of Accredited Advertising Agents

Malaysia (4As), is different. Their partners, the Pulse Group developed the research methodology for the PBA awards called Brand Pulse. The Brand Pulse methodology provides PBA with objectivity and transparency through research and provides valuable information on what consumers think about the nominated brands, how the brands are influencing

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Property



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Beautiful island set to capture the heart of investors

Better known as the Harbour City, Pulau Indah Industrial Park is poised to become a major manufacturing hub in Selangor.

By Karin Chang



Ir. Roslan Ahmad

Located just off the west coast of Selangor, Pulau Indah Industrial Park (PIIP) is an integrated development, housing a thriving halal hub, industrial parks, commercial centres and residential homes.

Measuring a total of 5,324 acres, PIIP is developed by an established property developer known as Central Spectrum Sdn Bhd (CSSB). CSSB belongs to Kumpulan Darul Ehsan Bhd, an investment arm of the Selangor state government, where Kumpulan Hartanah Selangor Bhd and AMDB Bhd are its shareholders.

The idea to develop 5,324 acres of Pulau Indah first came in 1994 by the previous state government. As the region's portside and transshipment mega hub, PIIP is strategically located next to the Port Klang Free Zone with major highways like Federal Highway, Shah Alam Expressway (Kesas) and North Klang Straits Bypass leading towards it.

According to the chief operating officer and director of CSSB, Ir. Roslan Ahmad, CSSB has so far developed 44 per cent of the total development area where 3,225 acres was designated for industrial development, 1,874 acres for residential development, and the balance 225 acres was for commercial development.

He said, there are currently more than 100 SMEs occupying the general and light industries area in Phase 1B and 2A of the development. Most of these SMEs were given the opportunity to opt for the rent and buy scheme, where they can convert 70 per cent of their total rental as part payment for the purchase of the factory buildings. The buildings available in one and a half storey semi detached factories, one and a half storey terrace factories and single storey terrace factories were all taken up by SMEs.

Roslan is not surprised by the good response from SMEs, as he said CSSB offered a competitive rental rate for them

to kick-start their business. "We are charging them only 80 cents to RM1 per square foot of rental, as we try to make it affordable for them," he said.

Spread across 690 acres of land, the Selangor Halal Hub (SHHPI) was first launched in 2003, after the Selangor government mulled over the idea of housing all the halal manufacturers within a single location. After scouting around, SHHPI was chosen as the ideal place due to its excellent infrastructure and transportation network.

With the development of SHHPI, it will enable Halal Development Corporation (HDC) to spur the growth of the halal industry as well as raise the halal standards. Measuring 300 acres, the first phase of SHHPI was sold out in 2006 to ten halal manufacturers who were mostly involved in the food industry.

Among them include Ramly Burger, Oleon, Secret Recipe, Golden Palmolina and Fraser & Neave. Encouraged by the good response, CSSB decided to open up the second phase of development to interested buyers. With a total of 400 acres, phase two of SHHPI is now almost 50 per cent booked. The property developer plans to open up phase three of the development in 2012.

SHHPI has designated zones for different industries such as dairy products, food and beverages,

confectionery products, culinary products, raw materials and non-food products. While the first phase of SHHPI were mostly occupied by manufacturers in the food industries, the second phase saw the participation from non-food industries such as cosmetics and pharmaceuticals.

"Two operators located within the first phase of SHHPI, had already commenced their operations, while another one is currently under construction. The rest of the operators will occupy their individual lots by next year," Roslan revealed.

Roslan said part of the attraction of SHHPI lies in its value added benefits that CSSB offers to its investors. For a start, investors who set up a halal manufacturing plant in SHHPI enjoys fast track approval for their business licenses and various product certification. Investors are also assured of hassle free

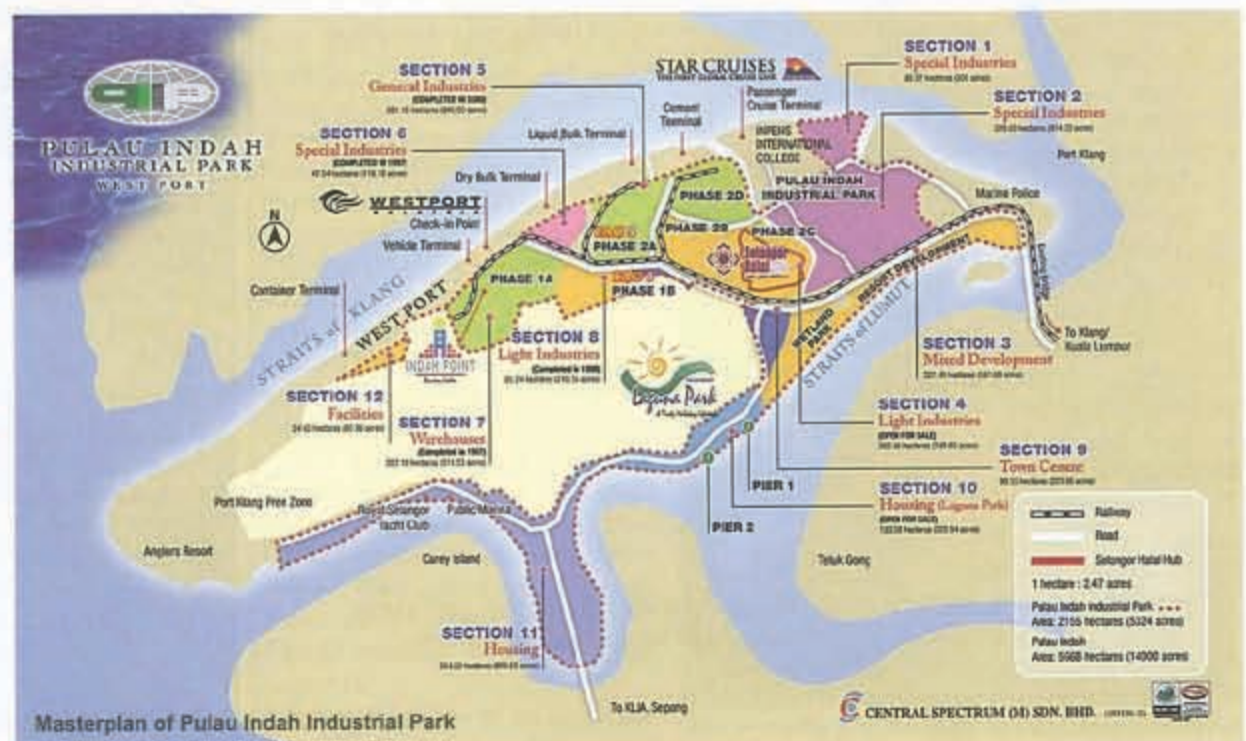
procedures when it comes to dealing with the various government agencies.

Other advantages of operating within the SHHPI include the availability of on-demand cold room and warehouse facilities within the area, as well as the designated halal park status by HDC. With the halal park status, manufacturers gain from the attractive benefits and incentives, as well as grants from the corporation.

"We are hoping to attract investors who intend to relocate from their existing premises to here," Roslan said. CSSB is planning to build a one-stop service centre on a ten-acre site to showcase all the products and goods from these halal manufacturers. The centre, which will be built in 2012, comes equip with conference rooms and meeting rooms.

With the construction of the South Klang Valley Expressway scheduled for

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PUNB: PROSPER Runcit financing scheme for SMEs

Perbadanan Usahawan Nasional Berhad (PUNB), Malaysia's foremost national entrepreneur development corporation was first mooted in 1991 to build a generation of dynamic and resilient Bumiputras in the country. As a wholly owned subsidiary of Yayasan Pelaburan Bumiputra, the organisation strive to develop entrepreneurs that are professional and ethical to contribute to the country's economic growth.

To assist aspiring and existing Bumiputra entrepreneurs, PUNB has a range of integrated entrepreneur development packages for the SMEs. These packages are tailor made to kick start Bumiputra entrepreneurs into the business world by offering them a range of financing schemes to suit their business needs.

Under the PROSPER Runcit Entrepreneur package there are two types of business financing based on Syariah laws - Business Funding Package A or Package B.

1) Business Funding Package A

- Provides financing amount from RM70,000 to a maximum amount of RM200,000
- This financing package which is based on the principle of Qard Al-Hassan, allows the borrower to pay back the loan's principal amount via a fix installment schedule
- Under this package, the entrepreneur only needs to fork out ten per cent of the total project cost, while PUNB will provide financing up to 90 per cent, subject to a maximum amount of RM200,000
- Apart from financing, this package also offers services such as the monitoring of accounts, business consultations and advisory services

2) Business Funding Package B

- Provides financing amount from RM200,000 to a maximum amount of RM1,000,000
- Under this financing scheme, the entrepreneur is entitled to financing of up to a maximum of RM1,000,000 through the Musyarakah Mutanagisah (equity injection), Bai Al Ipah (BAI), Bai Bithaman Ajil (BBA) or any other financing instrument based on the requirements of the proposed business
- To be entitled for financing under this package, the company must be registered as a Sdn Bhd company
- Entrepreneurs only need to contribute 10 per cent as the start up capital, while PUNB will chip in another 10 per cent to make the total equity of the company to 20 per cent of the project cost. The balance amount will be financed by PUNB through the BAI or BBA or other financing instruments which are deemed suitable
- Entrepreneurs can also opt to contribute 20 per cent as the start up capital, while PUNB will finance the balance 80 per cent of the total cost of the project through the BAI or BBA or other financial vehicles
- Besides the financing scheme, this package also offers business services for pre business operations, accounts monitoring as well as business advisory

To support the entrepreneurs, PUNB frequently organise courses related to entrepreneurship such as business awareness, management development, operational monitoring and corporate governance.

Types of Businesses:

PROSPER Runcit is open to all types of retail businesses such as :

- Jewellery shop
- Petrol station
- Workshop
- Specialist clinic (medical, dental, veterinary)
- Textile and clothing shops
- Optical and spectacles shop
- Professional services recognised by the government (architect, accountant, lawyer)
- Metal and building materials supply shop
- Pharmacy
- Shoes and leather shop
- Cosmetics and beauty shop
- Women accessories shop
- Computer equipment and telecommunications or IT shop
- Books and stationery shop
- Herbal and traditional medicine shop
- Sports equipment and recreation shop
- Electric and electronic shop
- Provisional shop or mini market

Eligibility Criteria:

The Entrepreneur

- Must be a Bumiputra
- Age 18 years and above
- Possess strong entrepreneur traits such as honesty, confidence, resilience, positive mental attitude, creativity and a high level of self discipline
- Eagerness to learn and attend the courses
- Favourable records with financial institutions
- Willing to work full time

- Able to finance at least 10 per cent of the total project cost

The Business

- Must be a retail business
- 100 per cent owned by Bumiputra
- Business location has been identified
- A viable business with project cost not exceeding RM1,000,000
- Free of financial assistance offered from any financial institutions in the form of charge on the company's assets

Application Process

- Interested candidates can apply for the financing scheme direct from PUNB
- Candidates are then required to attend a suitability assessment test to determine their eligibility and readiness for business
- Candidates can also attend the Pre Business Workshop which is optional
- After passing the Suitability Assessment Test, candidates are required to submit their business plan
- The business plan will then be vet by the PROSPER secretariat
- The PROSPER Investment Committee will make the final decision on the approval process

To Apply:

Interested entrepreneurs can apply for this financing scheme online, through PUNB's website at www.punb.com.my, via e-mail at prosper_runcit@prosper.com.my or walk in to their office at:

PROSPER Secretariat
Perbadanan Usahawan Nasional Berhad
Level 10, Block 1B, Plaza Sentral,
Jalan Stesen Sentral 5, KL Sentral,
50470, Kuala Lumpur.

Hassle-free set up for SMEs

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completion in 2012, PIIP will offer manufacturers an alternative route to Klang Valley. It will boast of a seamless integration between sea freight, air freight as well as rail transport and provides manufacturers 'just in time' solution, to bring down storage costs.

Apart from SHHPI, CSSB has built 700 units of residential homes known as Laguna Park, which comes complete with infrastructures such as a town park, shopping centre and business amenities. Fronting the scenic straits view, the double storey terrace houses were completed in 2003. It now has 80 per cent occupancy rate.

CSSB will also be developing a commercial area known as Laguna Square, which measures about 223 acres. The 39 units of two storey shop offices in La-

guna Square will be situated within the recreational enclave of Laguna Park. It will serve the growing community of residents and is tipped to be a modern self-contained township within easy access to city centres.

Roslan said the main infrastructures in PIIP are scheduled to be completed in 2015, while the entire area should be fully completed by 2020, barring any unforeseen circumstances.

"We are eyeing other potential areas of growth, ever since 300 acres of PIIP has been developed. We are now scouting for three to five acres of land for a small scale development," Roslan said. CSSB generated a total of RM1.5 billion in sales since 1995 and expects the company revenue to grow by another 10 per cent this year.

PRESENT INVESTOR IN PHASE 1

Company	Acres	Nature of Business	Target Operation
FELDA	128.13	Palm Oil based Products	2011
Ramly Burger	21.89	Frozen Food	2011
Secret Recipe	2.30	Cakes / Bakeries	2010
Golden Palmolina	4.74	Palm Oil based Products	2008
Cahaya Majujaya Sdn Bhd	2.39	Frozen & Dried Food	2010
MARA	9.41	Halal SMI Entrepreneurs Centralised Accreditations	2011
Premium BioHerbs	2.33	Food Industries	2009
F & N	37.40	Herbal Products	2009
Perkasa Bahagia	2.30	Diary Related	2011
Oleon	7.01	Sauces	2010
		Esther - Palm Oil Products	2009
Total	217.90 Acres		

Table of Present Investors in Phase One



The Leading Halal Hub
in Malaysia