



Market Assessment of Engineering goods in Malaysia

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Introduction

Project scope and objectives

Objectives

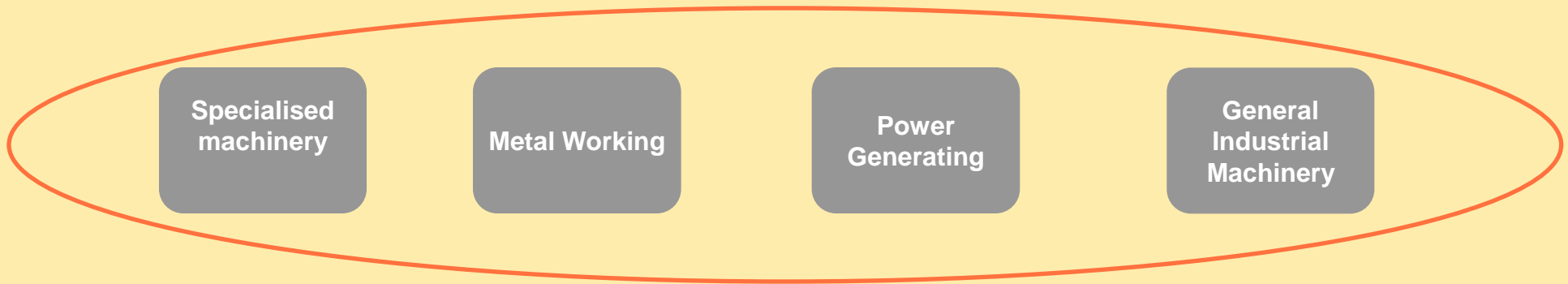
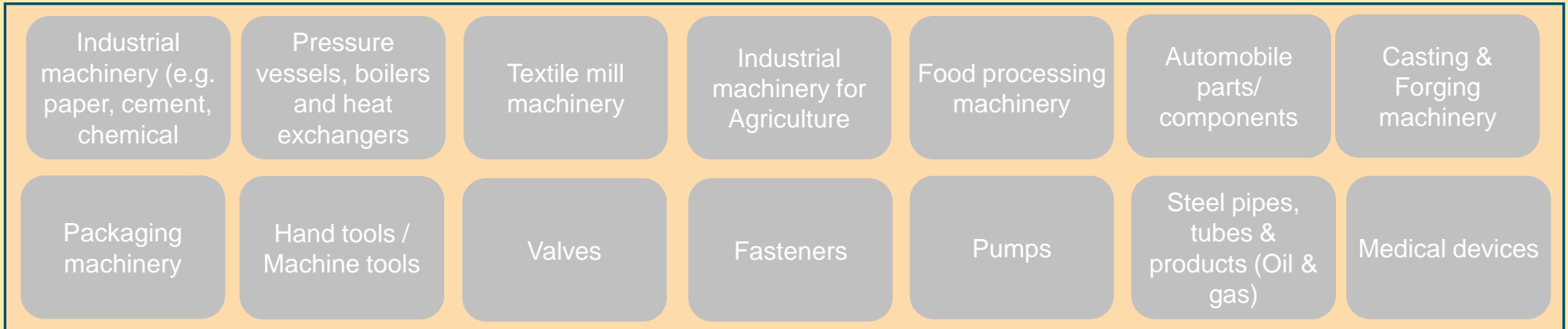
- To understand Malaysia import and export trade with India
- To identify the key stakeholders in Malaysia dealing with importation of engineering goods
- To assess the competitiveness of the market within engineering goods
- To identify the source and distribution channels of engineering goods
- To understand import/export policies, trade agreement, regulations and registration of engineering goods in Malaysia
- To develop and establish resources for Indian companies to capture trade opportunity in Malaysia

Scope

- Countries – Malaysia (Peninsular Malaysia)
- Product coverage (please refer to following pages for details):*
 - ✓ Engineering goods
- Timeframe:
 - ✓ Current: 2009 (or latest available)

Project scope

Malaysia's Machinery and Engineering Industry





How this report will help Indian Exporting Companies

This report will aim at being an invaluable resource and starting point for Indian companies wishing to trade or conduct business with Malaysia.

This report will enable Indian exporters / manufacturing companies to:

- ***Uncover valuable current opportunities for Indian companies in trading with Malaysia, as well as identify new/potential business opportunities through insightful analysis***

Insightful analysis based on observation of current and future trends in the key product markets and the knowledge and experience of the industry players will assist Indian companies in identifying the key areas of opportunity and growth in this dynamic market

- ***Navigate the regulatory requirements imposed on importation of products into Malaysia***

Comprehensive guide on the import/export requirements for the study's key products will enable Indian companies to avoid the common pitfalls faced by most new trading companies and save time on administrative issues

- ***Provide comprehensive guidance to Indian companies on conducting business with Malaysia***

Gain a better understanding of the needs and preferences of Malaysian purchasers, as well as what they value the most from their business partners/suppliers

- ***Provide a head start in succeeding in the Malaysian business environment***

This report will be a platform for Indian companies to learn about the Malaysian business environment, its opportunities, its business culture, as well as to assist companies in assessing their readiness to enter the Malaysian market



**Caveats, assumptions
and limitations**



Caveats, assumptions and limitations

Project objectives and scope

This report is intended to serve as an overview on the engineering goods market in Malaysia and will provide the basis for potential in-depth study by parties concern.

Sources of information

Potential limitation of information sources

The information and analysis performed in this report is based on combination of primary research and secondary research. Primary research is define as interviews with engineering goods distributors, importers/ exporters, manufacturers, dealers and traders and customers within the various industry segments. Secondary research is define as trade data compiled from department of statistic Malaysia, EEPIC-India, department of commerce India, directorate general of commercial intelligence and statistics (DGCI&S) and United Nation Comtrade database. While Synovate has taken effort to ensure the completeness of information for the coverage of the study objectives, the information gathered might be limited by the knowledge or willingness to share by the interviewees.

Synovate shall hence present to the best of our abilities our analyses and recommendations based on the available information from the study.

Currency of report.

Synovate's study is conducted in 2010 with data coverage of year 2009. The study will be based on information and facts gathered during the phase of the study. All analyses and recommendations, while taking into account potential future trends and key learning from historical records, will be based on information collected during the phase of the study. Synovate shall hence not be held responsible for unprecedented events or market changes beyond the coverage of the study.

Credibility and accuracy of information

While all care has been taken, and checks made by Synovate to ensure the credibility of the sources of information, Synovate does not take any responsibility for the accuracy or misrepresentation of the information source.



Caveats, assumptions and limitations

Conversion of currency

The conversion of Malaysia Ringgit to USD currency is based on average rate provided by the Central Bank of Malaysia.

Year	USD1 to MYR
2005	3.78
2006	3.66
2007	3.43
2008	3.33
2009	3.51



Executive summary



Executive summary

Overview

Project Introduction and Objectives

- This report was commissioned by the High-commission of India, Malaysia to explore avenues for Indian manufactures and suppliers of industrial machinery and engineering goods to further widen their sales base within Malaysia
- This report acts as a starting point for Indian exporters to market products in Malaysia
- The study findings are based from :-
 - Trade data and statistics from various government and non-government agencies
 - Interviews with relevant stake holders e.g. Manufacturers of machinery, distributors, traders, EEPC and trade organisations
 - Synovate analysis

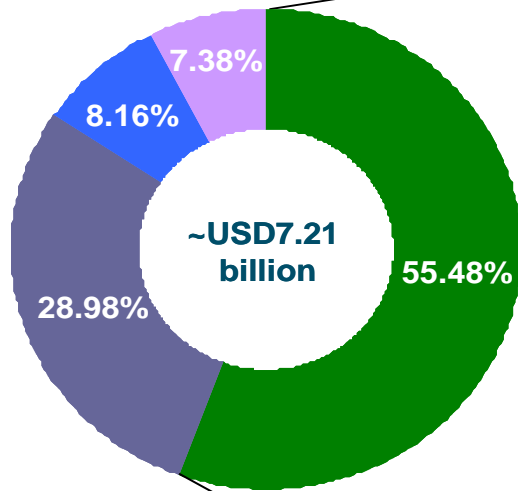
Project scope

- Industrial machinery and engineering goods industry in Malaysia:
 - Specialised process machinery
 - Metal working machinery
 - Power generation
 - General industrial machinery

Executive summary

Current Indian industrial machinery and engineering goods market in Malaysia

- Imports of engineering goods from India only make up ~2.5% share of Malaysia's total import of engineering goods which totals ~USD 7.2 billion
- This value is relatively low if compared with other countries e.g. Japan which has a share of ~21.5%
- As such, there is significant potential for Indian manufacturers to increase their market share



Malaysia Total Engineering Goods Import in 2009

- General machine tools
- Specialised machineries
- Metal working
- Power generation

Top 15 import nations	
Country	% Share
Japan	21.59
China	13.70
United States	12.17
Germany	10.10
Singapore	5.54
Taiwan	4.81
Netherlands	3.79
South Korea	3.61
Thailand	3.56
Italy	3.24
United Kingdom	3.18
India	2.49
Indonesia	1.60
Australia	1.44
France	1.23

Source: DOSM



Executive summary

Key findings

Drivers of Indian engineering goods market in Malaysia

- Indian engineering goods are perceived to be of high quality which is a good selling point for Indian manufacturers. There is also perception that Indian manufacturers are in the forefront of R&D and development of new technologies
- The AIFTA tariff reductions will allow Indian manufactures to offer cost competitive products into Malaysia
- 7% of population in Malaysia are of Indian ethnicity which may assist in overcoming cultural and language barriers

Barriers of Indian engineering goods market in Malaysia

- Lack of awareness of India product offerings. Local distributors and potential users of engineering goods are not fully aware of what India has to offer in terms of engineering goods
- Lack of local sales representatives for Indian engineering goods. Potential buyers do not have access to purchase Indian engineering goods from within Malaysia as opposed to many distributors selling engineering goods from other countries
- Engineering goods from other countries have been sold locally for many years and have strong branding and awareness level. Indian engineering goods will have to compete against the more established brands in Malaysia e.g. from Germany, Japan and USA
- Perceived slower turn around time when dealing with Indian companies as compared to other countries e.g. China and Japan



Executive summary

Summary of recommendations

- Indian manufacturers to leverage on local perception on high quality of Indian engineering goods to market products
- Efforts should be made to aggressively export products based on AIFTA tariff reduction schedule by starting with engineering goods which have zero or low import tariffs and progressively move on to other engineering goods as tariffs fall over the next ten years
- Strive to create a brand image for Indian machinery synonymous with quality, technology, innovation and competitive pricing
- Indian manufacturers should work closely with trade facilitators and other like organizations, to aggressively promote, advertise and market Indian product offering. They should seek out trade fairs on their own initiative and participate accordingly
- Indian manufacturers should establish a network of distributors and sales representatives within Malaysia to be closer to customer base and to facilitate quicker turn around time. Distributors should store adequate inventory in Malaysia to cut down turn around time for delivery
- Indian manufacturers should ensure that websites are constantly updated, user friendly, rich in information and comprehensive with clear contact details
- Directory of Indian manufacturers, both in soft and hard copy, should be made available to relevant local associations and government agencies



Executive summary

Conclusions

- In line with steady growth of the Malaysian economy as well as Malaysian Government initiatives to propel Malaysia into a regional manufacturing hub e.g. Third Industrial Master Plan (IMP3), demand for engineering goods is on the rise and holds a significant potential market for Indian manufacturers to tap into
- Having only ~2.5% market share, Indian manufacturers should be more proactive and take concrete actions to embrace the market opportunity that Malaysia presents
- As a start, Indian manufacturers should capitalize on the preferential tariffs under AIFTA to export engineering goods into Malaysia. At the same time they should seek out every opportunity that presents its way
- Beyond capitalizing on AIFTA preferential tariffs, Indian manufacturers should leverage on its current strengths and work towards addressing its weaknesses. With this initiative, market size of Indian engineering goods in Malaysia is expected to increase

Key products

- The following slides contain a range of key products identified for Indian manufacturers and exporters to target and begin exporting to Malaysia
- These products were selected based on 3 criteria:-
 - Malaysia import value – higher import value signifies higher local demand for a particular product
 - India export value – to understand if India has the potential to match Malaysia's demand
 - Local competition – number of local suppliers (traders and manufacturers) of a particular product
- Products are grouped into four different categories in accordance with AIFTA tariff reduction schedule



Executive summary

Key products with current 0% import duties

Segment	Key products	Total Malaysia import value	Total India export value	Observation	Suggestions
Specialised Machinery (only product groups in the next column)	<ul style="list-style-type: none"> • Packaging machinery • Food processing machinery • Machinery for working rubber/plastics • Agriculture machinery • Paper making machinery 	~USD 620 million	~USD 440 million	<ul style="list-style-type: none"> • Malaysia is a producer of food based and agriculture products, hence demand for machinery is high • Local companies like Agro Industrial Supplies are not able to match high local demand 	<ul style="list-style-type: none"> • Indian manufacturers have a significant market potential in Food processing and Packaging machinery
Metal Working (only product groups in the next column)	<ul style="list-style-type: none"> • Metal rolling mills and rolls • Moulding boxes for metal, mould bases and patterns • Casting machines 	~USD 710 million	~USD 380 million	<ul style="list-style-type: none"> • Local demand is met by local manufacturers • Low supply of high end machinery i.e. High speed precision metal stamping 	<ul style="list-style-type: none"> • High demand for mould bases and boxes could see significant opportunity for Indian manufactures

Source: Synovate Analysis, Note: HS Code in Appendix 2



Executive summary

Key products with current 0% import duties

Segment	Key products	Total Malaysia import value	Total India export value	Observation	Suggestions
Power Generation (only product groups in the next column)	<ul style="list-style-type: none"> Parts of steam and vapour turbines Industrial boilers 	~USD 600 million	~USD 530 million	<ul style="list-style-type: none"> High imports of steam and vapour turbines and related parts due to lack of local manufacturing 	<ul style="list-style-type: none"> Indian manufacturers have opportunity in exporting replacement parts for steam and vapour turbines into Malaysia
General Machinery (only product groups in the next column)	<ul style="list-style-type: none"> General industrial machinery Machinery replacement parts Machine tools and hand tools Taps, cocks, valves Medical devices Drive axles and bumpers for motor vehicles 	~USD 2.97 million	~USD 4.28 million	<ul style="list-style-type: none"> High demand mainly for replacement parts Common Importers/traders in this segment e.g. Rexpower, Azonic Industrial Tools, Edamed Medical Devices 	<ul style="list-style-type: none"> Indian companies urged to tap into after-market replacement parts segment for machinery and motor vehicles Export of medical devices and equipment

Source: Synovate Analysis, Note: HS Code in Appendix 2



Executive summary

Key products for Normal Track 1 (2013) tariff reduction schedule

Segment	Key products	Total Malaysia import value	Total India export value	Observation	Suggestions
Power Generation (only product groups in the next column)	<ul style="list-style-type: none"> Parts for steam, vapour generating boilers Auxiliary plants for use with boilers Condensers for steam, vapour Pressure vessels 	~USD 44 million	~USD 130 million	<ul style="list-style-type: none"> Current tariff 3%-7.5% Local demand is high Pressure vessels and boilers are commonly manufactured locally 	<ul style="list-style-type: none"> Indian manufacturers should look into export of replacement parts for boilers and auxiliary plants to Malaysia
General Machinery (only product groups in the next column)	<ul style="list-style-type: none"> Tubes or pipe fittings Pumps for liquids Lifting and handling machinery General parts for machinery, machine and hand tools Transmission shafts, gears, clutches and gaskets 	~USD 1.1 billion	~USD 940 million	<ul style="list-style-type: none"> Current tariff 4%-7.5% Local competition is high due to more suppliers in this segment due to larger market and higher demand 	<ul style="list-style-type: none"> Indian manufacturers can export gaskets and gears which have high local demand Indian manufacturers can increase exports to match high local demand for engineering products

Source: Synovate Analysis, Note: HS Code in Appendix 2



Executive summary

Key products for Normal Track 2 (2016) tariff reduction schedule

Segment	Key products	Total Malaysia import value	Total India export value	Observation	Suggestions
Specialised Machinery (only product groups in the next column)	<ul style="list-style-type: none"> Specialised replacement parts for machines Machinery for sorting/screening mineral substances Concrete or mortar mixing machines 	~USD 72 million	~USD 91 million	<ul style="list-style-type: none"> Current tariff 18%-25% Local demand and supply for machinery is growing Businesses like Interstrap (M) import various specialised machinery 	<ul style="list-style-type: none"> Prior to local manufacturers expanding to fulfil local demand, Indian manufacturers are urged to tap into this available market
Metal Working (only product groups in the next column)	<ul style="list-style-type: none"> Complex patterns moulding boxes and bases 	~USD 9.4 million	~USD 12.5 million	<ul style="list-style-type: none"> Current tariff 4%-20% Local metal working players e.g. YMC Forging are very strong and are advancing in production of machinery and moulds 	<ul style="list-style-type: none"> Indian manufacturers to look into supplying mould boxes with complex patterns

Source: Synovate Analysis, Note: HS Code in Appendix 2



Executive summary

Key products for Normal Track 2 (2016) tariff reduction schedule

Segment	Key products	Total Malaysia import value	Total India export value	Observation	Suggestions
Power Generation (only product groups in the next column)	<ul style="list-style-type: none"> Water tube boilers with steam production Hybrid boilers Industrial cooling towers 	~USD 120 million	~USD 202 million	<ul style="list-style-type: none"> Current tariff 18%-25% Local demand for boilers matches supply hence imports are low Visdamax is an industry player importing and trading boilers 	<ul style="list-style-type: none"> High import value of cooling towers signify high local demand
General Machinery (only product groups in the next column)	<ul style="list-style-type: none"> Tubes or pipe fittings Pumps for use in engines Taps, cocks valves Piston and cylinder rings Suspension systems for automobile 	~USD 1.31 billion	~USD 3.28 billion	<ul style="list-style-type: none"> Current tariff 4%-30% Local demand for general machinery and replacement parts is high and so is supply 	<ul style="list-style-type: none"> Indian manufacturers have potential to penetrate this segment by concentrating on specific replacement parts for automobile As well as other equipment e.g. pumps

Source: Synovate Analysis, Note: HS Code in Appendix 2



Executive summary

Key products for Special Track (2019) tariff reduction schedule

Segment	Key products	Total Malaysia import value	Total India export value	Observation	Suggestions
General Machinery (only product groups in the next column)	<ul style="list-style-type: none"> Air or vacuum pumps Parts and accessories for motor vehicles Wheels and parts, accessories for motor vehicles 	~USD 295 million	~USD 202 million	<ul style="list-style-type: none"> Current tariff 5%-27% Malaysia is a strong producer of automobile parts and air pumps Schmaco Auto Parts is one of many local importers of auto spare parts 	<ul style="list-style-type: none"> Indian manufacturers can look to penetrate automobile spare parts market as demand is very high

Source: Synovate Analysis, Note: HS Code in Appendix 2

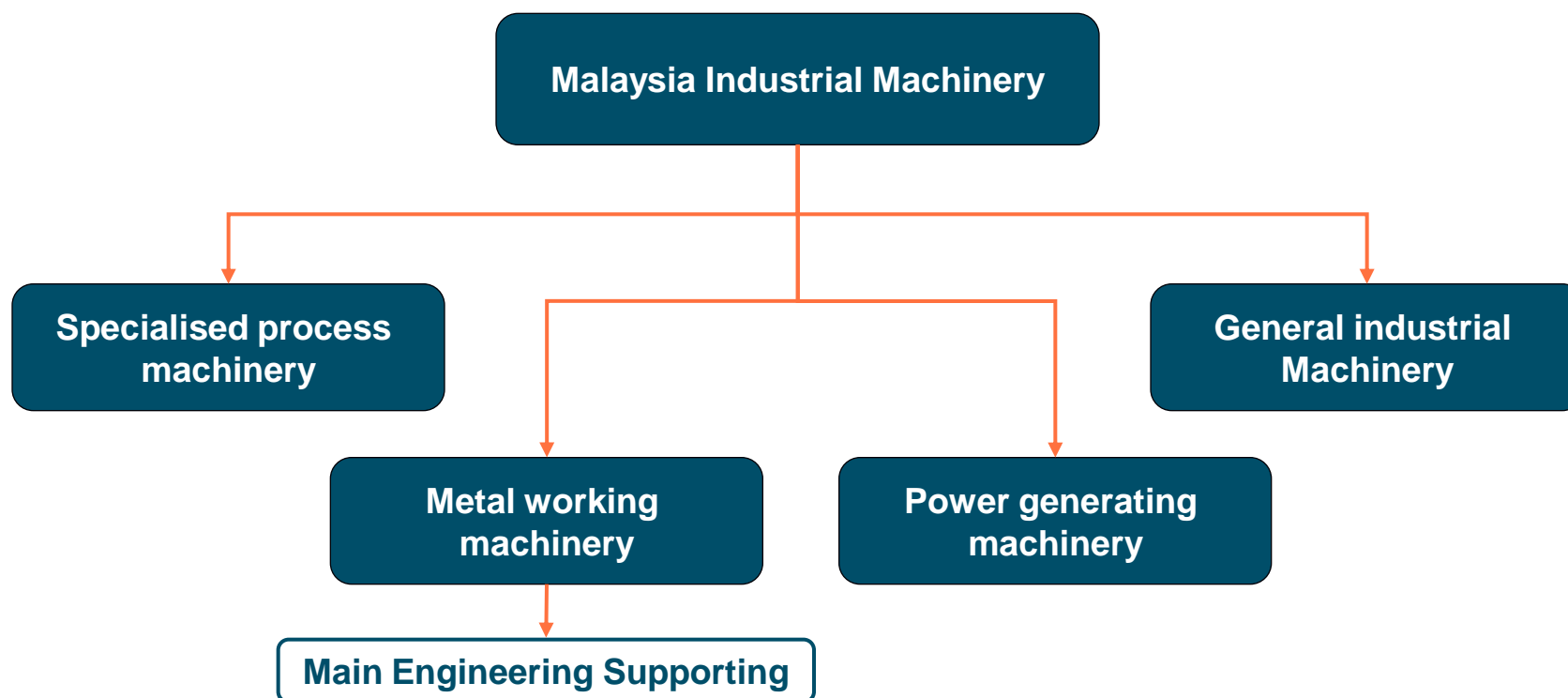


Malaysia engineering goods import overview

Key Overview: Engineering Industry Sub-sectors

There are four main sub-sectors

- Classifications according to the Malaysian Investment Development Authority (MIDA), the Malaysian Industrial Machinery or Engineering Industry can be divided into four main sub sectors
- These four sectors cover all areas of the Malaysian manufacturing industry and engineering supporting industry
- The Malaysian manufacturing industry as a whole in Malaysia has been growing in tandem with Government's push to turn Malaysia into a regional manufacturing hub

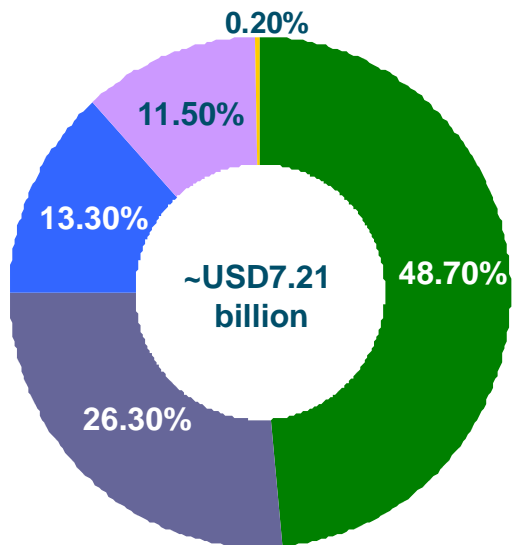




Malaysia engineering goods import overview

Total engineering goods trade in 2009

Malaysia total imports of engineering goods in 2009



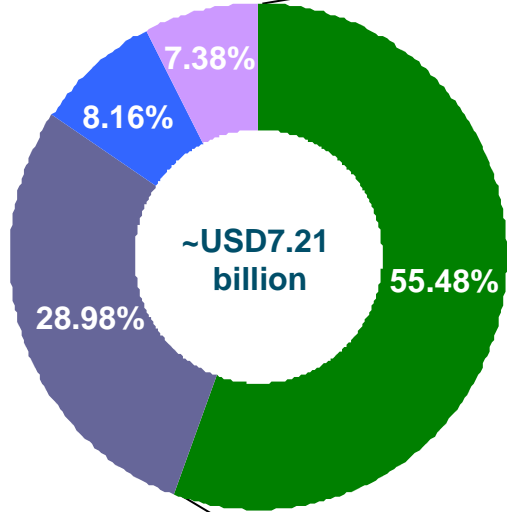
- Asia (ex ASEAN countries) ■
- Europe ■
- Americas ■
- ASEAN ■
- Middle East and Africa ■

~USD3,711 million		~USD1,999 million		~USD1,013 million		~USD876 million		~USD14 million	
ASIA		Europe		Americas		ASEAN		Middle East and Africa	
Country	% Share	Country	% Share	Country	% Share	Country	% Share	Country	% Share
Japan	44.29	Germany	38.46	United States	91.48	Singapore	48.10	Saudi Arabia	34.60
China	28.10	Netherlands	14.43	Canada	3.33	Thailand	30.96	South Africa	32.99
Taiwan	9.86	Italy	12.33	Mexico	2.90	Indonesia	13.94	UAE	17.29
South Korea	7.42	United Kingdom	12.12	Brazil	1.92	Philippines	2.46	Yemen	4.14
India	5.11	France	4.70	Argentina	0.12	Vietnam	1.64	Qatar	1.59

Source: DOSM

Malaysia engineering goods import overview

Total engineering goods import in 2009



- General machine tools ■
- Specialised machineries ■
- Metal working ■
- Power generating ■

Top 15 import nations		
Country	% Share	% change
Japan	21.59	-28.7%
China	13.70	0.6%
United States	12.17	-5.6%
Germany	10.10	-9.0%
Singapore	5.54	-12.1%
Taiwan	4.81	-25.9%
Netherlands	3.79	46.3%
South Korea	3.61	-31.7%
Thailand	3.56	-3.5%
Italy	3.24	-21.4%
United Kingdom	3.18	20.8%
India	2.49	15.2%
Indonesia	1.60	7.5%
Australia	1.44	-8.5%
France	1.23	-15.2%

Source: DOSM



Malaysia engineering goods import overview

Specialised process machinery

Specialised machinery are machinery that are designed to do a specific process or task. Machinery that fall under this sector are industry specific

Segment overview

- Machines are used directly in manufacturing process of final product and most specialised machinery are able to handle most processes in the manufacturing process
- Due to the high level of technology and complexity in manufacturing of specialised machinery, local levels of production are low
- Machinery under this segment are commonly imported from Japan, Taiwan, USA, Singapore, Thailand

Machinery Segments

- Mould and die – plastics, rubber
- Textile
- Paper
- Food Processing
- Agriculture
- Chemicals
- Cement

Key segment trends

- Import value CAGR for machinery under this sector is 4% from 2005-2009
- Due to lack of local manufactured machinery, imports for machinery under this sector are high, ~60 million machines imported into Malaysia in 2009
- As of 2009, 73% of machinery imports under this sector are worth more than RM10mil with 14% above RM100mil
- Supports all types of industries but one machine is made for a certain task or industry, unlike general machinery that can be used for various industries, machinery under this sector are industry specific usually made for a certain task or process



Malaysia engineering goods import overview

Specialised process machinery

Mould and Die – Plastics, Rubber

- Imports of machinery and components under this segment was ~RM1.6bil in 2009 with CAGR of -0.4% (2005-2009). Sourced from Germany, Japan, Singapore, USA, UK, Taiwan
- Related machinery and components:
 - Injection moulding machines
 - Moulds for rubber/plastic of injection or compression type and Mould bases
 - General moulding and forming machinery
 - Extrusion machines
 - Blow moulding machine
- Local importers/traders such as **CM Machinery**, **WY Machinery Trading**, and **MK Plastic Machinery** are commonly located in Central Malaysia and deal with all types of Mould & Die machinery not just any single specific machine
- Local users of machinery such as **May-Plastics Manufacturers**, **Plastik STC**, **Polyparts**, manufacture plastic packaging or parts such as pipes, fixtures. Located in Central Malaysia. Malaysian mould & die industry supports the local Electronics and Automotive industries in manufacturing plastic or rubber parts for these industries. Local users main sales base is within Malaysia however known to also actively export final moulded products; commonly within ASEAN

Textile

- Imports of machinery and components under this segment was ~RM177mil in 2009 with CAGR of -11.3% (2005-2009). Sourced from Japan, China, Singapore, Taiwan
- Related machinery and components:
 - Circular knitting, Embroidery machines
 - Weaving machines
 - Thread rolling and Textile spinning machines
 - Machine for preparing textile fibres
 - Carding machines
 - Textile Drawing, Texturing, Rolling machines
- Local importers/traders such as **Pegasus Industrial Sewing Machine**, **Rand Asia**, are commonly located in Central Malaysia and deal with import and distribution of all types of Textile machinery
- Local users of machinery such as **Ara Borgstena**, **Pacific Peninsula Textiles**, **Holland Conveyor Belting**, manufacture direct textile products for human use such as clothing or for home uses e.g. curtains, furniture, or for automobile industry such as car interior. Also textile products for use with various other industries or machinery such as conveyor belts and textile filters for water or oil. Users are commonly located around Central Malaysia and South Malaysia. Larger textile companies will export textile products while smaller companies sell to local market



Malaysia engineering goods import overview

Specialised process machinery

Paper

- Imports of machinery and components under this segment was ~RM299mil in 2009 with CAGR of -2.4% (2005-2009). Sourced from Italy, Japan, China, Finland, Taiwan, Germany.
- Related machinery and components:
 - Machines for making pulp,
 - Paper, paper board making machine
 - Cutting, finishing machines
 - Paper dryers, calendaring, rolling machines
- Local importers/traders such as **Matex Trading, Aitech Industries Malaysia, Fuda Worldwide** are commonly located in Central Malaysia and deal with all types of paper mill machinery
- Local users of machinery such as **CHH Pacific Paper, Genting Sanyen Industrial Paper, Union Paper Industries** manufacture all types of paper products from industrial paper to normal printing paper to paper rolls. Factories are located in Central and North Malaysia. Final paper products are sold locally and also exported

Food Processing

- Imports of machinery and components under this segment was ~RM627mil in 2009 with CAGR of 22% (2005-2009). Sourced from Taiwan, China, Netherlands, Germany, Thailand
- Related machinery and components:
 - Machinery for extraction of animal/vegetable oils
 - Industrial food processing machinery
 - Bakery machinery and for manufacture of food products
 - Industrial food cooking and boilers
 - Industrial ovens
 - Bread/grain milling, presses, crushes machines
 - Meat preparation machinery
 - Machines for manufacture of confectionery/sugar
- Local importers/traders such as **Reickermann, KBP Multiprocess machinery, Iklim Machinery** are commonly located in Central Malaysia and deal with all types of food processing and preparing machinery
- Local users of machinery such as **Alami Vegetable Oil Products, Hua Huat manufacturing, Kapar Coconut Industries**, manufacture a wide range of food related products. Factories are located in Central and South Malaysia. Food industry in Malaysia is diverse with companies selling aggressively locally as well as abroad



Malaysia engineering goods import overview

Specialised process machinery

Agriculture

- Imports of machinery and components under this segment was ~RM288mil in 2009 with CAGR of 22.1% (2005-2009). Sourced from USA, India, China, Japan, Thailand
- Related machinery and components:
 - Machines for Agriculture appliances
 - Agriculture/Horticulture machinery for cultivation
 - Poultry keeping machines/incubators
 - Machines for cleaning/sorting/grading seeds
 - Dairy machines
 - Dryers for agricultural products
 - Seeders/planters/scarifiers/cultivators
- Local importers/traders such as **Agro-Industrial supplies, YSH Marina Machinery, Teck Seng Machinery**, are commonly located in Central and North Malaysia and traders are more specific in this segment, where all traders do not sell all types of agricultural machinery
- Local users of machinery such as **Orchid Life, Leong Hup Farm**, produce all types of agriculture related products from animal meat, artificial flavourings, fruits and vegetables. Farms are located in Central and North Malaysia. Most end products are sold locally while large scale manufacturers also export

Chemicals

- Imports of machinery and components under this segment was ~RM217mil in 2009 with CAGR of -1.6% (2005-2009). Sourced from Singapore, Thailand
- Related machinery and components:
 - Chemical vapour deposition machines
 - Mixing, Emulsifying, Dissolving machines
- Local importers/traders such as **Tai Yi Machine** are commonly located in Central Malaysia dealing with all types of chemical machinery and also trade various chemicals
- Local users of machinery such as **Farmcochem, Luxchem Polymer Industries, Synthomer**, produce all types of chemicals, polymers and chemical related products. Plants are located in Central Malaysia. Chemicals are produced for local usage and export



Malaysia engineering goods import overview

Specialised process machinery

Cement

- Imports of machinery and components under this segment was ~RM213mil in 2009 with CAGR of -3.4% (2005-2009). Sourced from USA, China, Japan, Germany
- Related machinery and components:
 - Machines for agglomerating, shaping, moulding solid minerals
 - Machines for forming foundry moulds of sand
 - Steam/sand blasting machines
 - Machines for working stone, ceramic, concrete, asbestos, cement
 - Grinding and polishing machines for stone, ceramic, concrete, asbestos, cement
 - Mixing, Kneading machines for concrete/mortar
- Local importers/traders such as, **Jin Hui Industries, Lee Industries**, are commonly located in Central and North Malaysia and traders supply a complete concrete making solution which involves various types of machinery
- Local users of machinery such as **Perak-Hanjoong Cement, Mutual Way Premix, OKA Concrete Industries**, manufacture and produce cement, concrete and cement related products. Plants are located in Central and North Malaysia. Most of concrete or cement are consumed locally while large scale manufacturers also export



Malaysia engineering goods import overview

Metal working machinery

Metal working machinery are solely for working metals which include casting, bending, polishing, surface working. Mainly used in Engineering supporting industry

Segment overview

- Machines are mainly used to manufacture parts or products that are used to manufacture a final product
- Moderate production of local machinery under this segment mainly due to average level of technology required to produce lower end metalworking machinery e.g. bending, cutting, stamping
- Also imports machinery from Taiwan, USA, Germany, Singapore, Japan, France (engraving)

Common Machinery

- Casting and Forging
- Bending, Cutting and Shaping
- Stamping
- Metal Finishing and Surface polishing
- Engraving, Boring, Drilling and Sinking

Key segment trends

- Import value CAGR for machinery under this sector is 10% from 2005-2009
- Due to strong local manufacturing of machinery in this sector, imports of similar machinery were average at ~7million machines in 2009
- As of 2009, 73% of machinery imports under this segment is worth more than RM10mil with 20% above RM100mil
- Engineering support, defined by making or fabricating parts to be used in various industries such as Automobile and Electronics industries



Malaysia engineering goods import overview

Metal working machinery

Casting and Forging

- Imports of machinery and components under this segment was ~RM483mil in 2009 with CAGR of 2% (2005-2009). Sourced from China, Japan, Taiwan, USA, Singapore
- Related machinery and components:
 - Moulds for Metals or Metal carbides
 - Casting machines for metal
 - Hot/Cold rolling machines
 - Injection moulds for metals
 - Pattern moulding copper machine
 - Mould boxes
- Local importers/traders such as, **Precision Tool Tech, Delcoco Hardware & Engineering, Reickermann**, are commonly located in Central Malaysia and deal with all kinds of casting machinery from low to heavy duty
- Local users of machinery such as **Cameron International, Grande Forge, Nutech Machinery and Engineering**, manufacture and fabricate various metal products such as shelving or racking solutions and iron parts. Local users are located in Central and South Malaysia and sell to the local market as well as export

Bending, Cutting, Shaping

- Imports of machinery and components under this segment was ~RM382mil in 2009 with CAGR of 11.1% (2005-2009). Sourced from Germany, China, Korea, Japan, Taiwan
- Related machinery and components:
 - Bending, Folding machine presses
 - Straightening, Flattening machine presses
 - Rolling machines
- Local importers/traders such as, **Master Rolls, Kossan Japan, Lam Chuan Enterprise**, are commonly located in Central and North Malaysia and supply all types of metal working machinery
- Local users of machinery such as **Right bend, Nutech Machinery, Associated Refractories and Engineering**, use such machinery as part of their manufacturing process making a wide range of metal products. Local users are located in Central and South Malaysia and mainly support local market



Malaysia engineering goods import overview

Metal working machinery

Stamping

- Imports of machinery and components under this segment was ~RM483mil in 2009 with CAGR of 2% (2005-2009). Sourced from China, Japan, Taiwan, USA, Singapore
- Related machinery and components:
 - Stamping machinery
 - Presses and hammers machines
- Local importers/traders such as, **Lam Chuan Enterprise, Reickermann**, are commonly located in Central Malaysia and deal with all kinds of metal working machinery from low to heavy duty
- Local users of machinery such as **System Mechanical Engineering Works, Grande Forge, Zamria**, use machinery to fabricate various metal stamped parts. Local users are located in Central Malaysia and sell final parts to the local market as well as export

Metal Finishing & Surface polishing

- Imports of machinery and components under this segment was ~RM158mil in 2009 with CAGR of -5.9% (2005-2009). Sourced from Japan, Taiwan, USA, China
- Related machinery and components:
 - Machinery for metal treatment
 - Grinding, Sanding, Polishing machines
 - Sharpening grinding machines
- Local importers/traders such as, **Stork Copperheat, SRITA, Khoo Wang Machinery Trading**, are commonly located in Central and North Malaysia and supply all types of metal finishing machinery
- Local users of machinery such as **Zamria, Oriental Fastech**, use such machinery as part of their manufacturing process in terms of finishing and polishing metal products. Local users are located in Central and South Malaysia and mainly support local market



Malaysia engineering goods import overview

Metal working machinery

Engraving, Boring, Drilling, Sinking

- Imports of machinery and components under this segment was ~RM974mil in 2009 with CAGR of 23.4% (2005-2009). Sourced from Japan, Germany, Singapore, Korea, India, China, Italy
- Related machinery and components:
 - Engraving machines (France)
 - Boring, Sinking Machinery
 - Drilling machines and Electro-Drilling
 - Milling machinery
- Local importers/traders such as, **Hub Hong Machinery & Instrument**, **Khoo Wang Machinery**, are commonly located in Central Malaysia and supply various kinds of metal working machinery from low to heavy duty
- Local users of machinery such as **Oriental Fastech Manufacturing**, **Merge Tools**, **UPECA Engineering**, use machinery to fabricate various metal products and parts. Local users are located in Central Malaysia and sell to the local market as well as export
- High quality precision and computer controlled Engraving machinery are mainly imported from France by local dealers such as **Gravotech** and **NCM Global** who are located in Central Malaysia. Local dealers feed local demand which is not as high as demand for other types of metal working machinery



Malaysia engineering goods import overview

Power generating machinery

Machinery that is used in the process of power generation or to support power generation plants/industries

Segment overview

- Malaysian manufacturers are more prone to manufacture parts for machinery under this segment rather than the entire machine itself
- Supports not only power generation industries but machinery such as boilers and pressure vessels are also used in Textile and Food & Beverage industries
- Commonly imported from China, Japan, Singapore, USA, Thailand

Common Machinery

- Pressure Vessels
- Boilers
- Heat Exchangers & Condensers
- Turbines

Key segment trends

- Import value CAGR for machinery under this sector is 6.1% from 2005-2009
- Machinery under this sector serve a wide range of manufacturing processes and are used by various manufacturing segments hence imports for machinery under this sector was ~27 million machines in 2009
- As of 2009, 80% of machinery imports under this sector are worth more than RM10mil with 16% above RM100mil



Malaysia engineering goods import overview

Power generating machinery

Pressure Vessels

- Imports of machinery and components under this segment was ~RM604mil in 2009 with CAGR of 10.5% (2005-2009). Sourced from China, Germany, Taiwan, USA
- Related machinery and components:
 - Pressure furnaces for industrial use
 - Pressure vessels and components
 - Housing for pressure vessel units
- Local importers/traders such as, **InMech**, **Acolite Holdings**, are commonly located in Central Malaysia and supply various kinds of pressure vessels and replacement parts to support the various industries in Malaysia
- Local users of machinery such as **Tenaga JanaManjung**, **Genting Sanyen Power**, use machinery as part of power generation process. Local users are typically located in North Malaysia.

Boilers

- Imports of machinery and components under this segment was ~RM275mil in 2009 with CAGR of 8.4% (2005-2009). Sourced from China, Germany, Japan, Indonesia, India
- Related machinery and components:
 - Boilers and components
 - Watertube and Steam generating boilers
 - Vapour generating boilers
 - Auxiliary plants for use with boilers
- Local importers/traders such as, **InMech**, **Maser**, **Acolite Holdings**, are commonly located in Central Malaysia and supply various kinds of boilers and replacement parts to support the manufacturing industries in Malaysia
- Boilers are versatile and are used for a variety of industries in Malaysia. Boilers are also used by companies such as **Pacific Peninsula Textiles** and **Alami Vegetable Oil** in the Textile and Food processing industries as part of their manufacturing process. Local users are located in Central Malaysia and sell to the local market as well as export



Malaysia engineering goods import overview

Power generating machinery

Heat Exchanger & Condenser

- Imports of machinery and components under this segment was ~RM613mil in 2009 with CAGR of 3.9% (2005-2009). Sourced from China, Germany, Japan, Netherlands, USA, Singapore
- Related machinery and components:
 - Heat exchange units
 - Components for heat exchange units and condensers
 - Industrial Dryers
 - Electric heating equipment
 - Condensers for steam and vapour power units
 - Storage heating radiators
- Local importers/traders such as **Grand Spektra, Kaoh Siung Trading, Visdamax**, are commonly located in Central Malaysia and supply various kinds of heat exchangers, condensers and replacement parts to support the various industries in Malaysia that use these machinery
- Heat exchangers are widely used in manufacturing processes. In Malaysia, main users of heat exchangers are the Power generation and Oil & gas industries by companies such as **Petronas Natural Gas division** and **Genting Sanyen Power**

Turbines

- Imports of machinery and components under this segment was ~RM449mil in 2009 with CAGR of 0.8% (2005-2009). Sourced from Italy, Japan, China, Germany, USA
- Related machinery and components:
 - Steam and Vapour turbines
 - Related parts and components e.g. Rollers and bearings
- Local importers/traders such as, **IMPESA, Ebara pumps, Delcom Services**, commonly supply turbines. Located in Central Malaysia and supply various kinds of turbines and replacement parts to support the power generation and oil & gas industries in Malaysia
- Local users of machinery such as, **Tenaga Nasional**, Malaysia-China hydro, use machinery mainly in power generation industry at power generation plants around Malaysia. Turbines are also used in the shipping and aviation industries in Malaysia mainly for maintenance, refurbishing and replacement work on ships and commercial airplanes



Malaysia engineering goods import overview

General industrial machinery

The widest sector as it covers everything that does not specifically fall under the other 3 sectors. General industrial machinery serves a vast range of industries

Segment overview

- Includes all types of machinery that can be used in any industry and even machinery not specifically used in manufacturing process e.g. hand tools
- Also includes parts and raw material. Most minor local manufacturers are more prone to manufacture machinery under this sector as machinery under this sector are usually not too technologically advanced and are easier to manufacture
- Imports from Japan, China, Taiwan, USA, Singapore

Common Machinery

- Valves
- Steel products
- Pumps
- Medical Devices
- Machine and Hand tools
- Automobile parts and components
- General Machinery not included under Specialised machinery sector

Key segment trends

- Import value CAGR for machinery under this sector is 10.4% from 2005-2009
- Imports of machinery under this sector was at ~42.4 million machines and imports of replacement parts and raw material ~392 million tonnes
- Local manufacturers tend to venture into this sector due to the vast, wide range of machinery and the obvious larger market.
- Local manufacturers however have not aggressively manufactured medical devices and imports are high to satisfy local consumption
- Local users of machinery under this sector can be involved in any industry as machinery under this sector are produced for various uses and purposes. Local users range from Automobile, Oil & Gas, Electronics, Food processing, Agriculture and other industries



Malaysia engineering goods import overview

General industrial machinery

General Machinery

- Imports of machinery and components under this segment was ~RM1900mil in 2009 with CAGR of 1.1% (2005-2009). Sourced from China, Japan, Taiwan, Korea, India
- Related machinery and components:
 - Machinery for general usage in plants and factories
 - Mixing, Kneading machines
 - General crushing and grinding machinery for any material
 - Various replacement parts for machinery
- Local importers/traders such as, **Hub Hong Machinery and Instrument**, **Khoo Wang Machinery**, are commonly located in Central Malaysia and supply various kinds of general machinery and replacement parts to support the various industries in Malaysia

Valves

- Imports of machinery and components under this segment was ~RM143mil in 2009 with CAGR of 13.1% (2005-2009). Sourced from China, Italy, Taiwan, Singapore, Germany
- Related parts and components:
 - Valves for hydraulic machinery
 - Valves of pneumatic machinery
 - Metal pressure reducing valves
 - Check valves or copper
 - Safety valves
- Local importers/traders such as, **SS Marketing Malaysia**, **Panca Hydrou-Pneumatic**, **Kuan Joo Hardware**, **InMech**, **TTS Valves Technologies**, are commonly located in Central Malaysia and supply various kinds of valves and replacement metal parts to support the local manufacturing industry



Malaysia engineering goods import overview

General industrial machinery

Steel Products

- Imports of machinery and components under this segment was ~RM2847mil in 2009 with CAGR of 14.9% (2005-2009). Sourced from Japan, India, Germany, UK
- Related parts and components:
 - Line pipes used in Oil & gas industry
 - Cast fittings of Iron
 - Welded and riveted tubes and pipes
 - Seamless tubes and pipes
 - High pressure pipes
 - Casings for pipes used in Oil & gas industry
- Local importers/traders such as **KASB, FMC Wellhead Equipment**, are commonly located in Central Malaysia and supply various kinds of metal products, pipes and steel/iron parts to support the various industries in Malaysia. Main users of steel products in Malaysia is the automobile industry while Oil & gas industry uses steel pipes for plants

Pumps

- Imports of machinery and components under this segment was ~RM2427mil in 2009 with CAGR of 16.4% (2005-2009). Sourced from Singapore, China, Germany, Italy, Japan
- Related machinery and components:
 - Air pumps
 - Hydro and various liquid pumps
 - Oil and fuel pumps
 - Related components and parts
 - Centrifugal pumps
 - Concrete pumps
- Local importers/traders such as **Rexpower, Hydro Keris, Formahero, Apex Air Compressor, Hub Hong Machinery & Instruments**, are commonly located in Central Malaysia and supply various kinds of pumps and replacement parts to support the various industries in Malaysia



Malaysia engineering goods import overview

General industrial machinery

Medical Devices

- Imports of machinery and components under this segment was ~RM812mil in 2009 with CAGR of 13.5% (2005-2009). Sourced from UK, USA, China, Singapore, Germany, Japan
- Related devices and components:
 - Mechano Therapy, Massage Appliances
 - Physiological Aptitude testing equipment
 - Instruments for checking blood pressure
 - Orthopaedic and Ophthalmic appliances
 - Hearing Aids
 - Dental instruments and related parts
 - Thermostats
 - Medical Sterilises
 - Alpha, Beta, Gamma radiation apparatus, X-ray tubes
 - Electro-cardiographs and Pacemakers
 - Microscopes
- Local importers/traders such as, **Philips, BBraun, Omron, Maluri Equipment**, are commonly located in Central Malaysia and supply various kinds of medical devices and replacement parts to support the medical and healthcare industry in Malaysia

Machine and Hand tools

- Imports of machinery and components under this segment was ~RM8153mil in 2009 with CAGR of 1.8% (2005-2009). Sourced from China, Japan, Germany, Taiwan, Korea, Singapore, India
- Related machinery and components:
 - Hand tools Electrically operated or Pneumatic
 - Motorised hand tools
 - Related spare parts for hand tools
 - Soldering, welding machine tools
 - Machine tools for working hard materials
 - CNC machine tools and machining centres
 - Winches with electric motor and lifting machinery
 - Assembly machines
- Local importers/traders typically deal with both machine and hand tools and meet customer needs. Companies who purchase machine tools will also commonly purchase hand tools together. This has led suppliers such as **Leeden Welding, Panamech Machinery, Srita, Hub Hong Machinery & Instrument**, which are commonly located in Central Malaysia, supply various kinds of machine and hand tools and replacement parts to support the various manufacturing industries in Malaysia



**Indian engineering
goods export to
ASEAN countries**



Indian export to ASEAN countries

Singapore remains the key export destination for Indian manufacturers

Total Indian engineering goods export to ASEAN countries, USD

	2005-06 (million)	2006-07 (million)	2007-08 (million)	2008-09 (million)	change (2007-09)
Singapore	1,008.63	1,193.43	1,587.57	2,662.62	68%
Malaysia	344.64	370.70	767.43	1,655.63	116%
Indonesia	351.86	410.36	563.56	562.93	0%
Thailand	322.87	386.36	583.04	653.89	12%
Vietnam	132.38	204.25	278.89	272.61	-2%
Philippines	159.16	190.78	164.94	225.84	37%
Myanmar	60.84	75.10	97.27	106.52	10%
Cambodia	2.30	3.58	6.20	7.63	23%
Brunei	0.79	1.26	1.26	1.73	37%
Laos	3.12	1.37	1.65	6.49	293%
	2,386.59	2,837.19	4,051.81	6,155.89	52%

- Trade with ASEAN is on the rise with a 52% change from 2008 to 2009. Following the closer ties with ASEAN and talks for almost 6 years, the AFTA has been signed and is seen to further boost bilateral trade
- India's main trading partner in this region is Singapore, followed by Malaysia, Indonesia and Thailand. Singapore is viewed as the gateway to ASEAN markets and the India-Singapore CECA signed in 2005 has boosted trade between both nations and also India-ASEAN trade in general.
- In 2008, Brunei's trade with India has seen the highest growth after Brunei expressed intentions to increase levels of bilateral trade and similarly in Laos, rapid economic development has resulted in more Indian FDI as well as imports of machinery and engineering goods



Indian export to ASEAN countries

Key Indian engineering products export to ASEAN countries, USD

		05-06 (million)	06-07 (million)	07-08 (million)	08-09 (million)
P36	Railway Components Signaling Equipments and Transport Equipments	457.23	336.57	735.59	2,428.52
P24	Non-Ferrous Metals (other than Aluminium)	308.30	628.55	828.78	673.43
P13	Iron & Steel.	489.61	455.53	618.25	592.89
P23	Aluminium	159.77	274.44	369.59	446.31
P30	Construction and Earthmoving Machinery	45.73	78.07	116.76	269.21
P10	Electric Power Machinery Switchgear and Control gear	103.64	147.55	179.71	241.47
P35	Instruments	71.20	87.24	105.24	153.44
P07	Automobile Parts and components	195.34	100.42	121.35	147.98
P06	Motor Vehicles	25.08	18.22	80.06	143.32
P19	Manufactured Steel Products	76.75	123.43	142.17	136.93
P09	Internal Combustion Engines, Compressors and parts	37.45	45.24	57.60	125.12
P02	Industrial Machinery for specialised process	46.74	53.49	117.23	124.62

- Railway components and equipments has increased significantly by 230% over the 2007-08 and 2008-09 period, the key importing countries are Singapore, Malaysia and Vietnam
- India is one of key producer of raw and processed metal products, such as non-ferrous metal, aluminium, iron and steel. The combined value for these products in 2008-09 is approximately USD 1.71 billion.
- The raw metal materials are mainly imported to countries such as Singapore, Malaysia, Thailand and Indonesia. Except for Singapore, the other countries are typical manufacturing based countries. Singapore is mainly a transit and trading centre in Asia region.



**Overview Malaysia
engineering goods
distribution and
purchasing**



Malaysia's engineering goods market

Engineering goods overview

- Key manufacturing activities in Malaysia are located at various industrial areas around the country – North: Penang, Kulim; Central: Kuala Lumpur, Selangor; South: Johor
- There are more imported machinery sold in Malaysia as compared to locally manufactured machinery
- Typically, local distributors and traders would act as a sales representative for the international manufacturers, and local manufacturers prefer to sell directly to end customers

Engineering goods segments

- | | |
|---|---|
| • Industrial Machinery: Casting & Forging | • Hand Tools |
| • Industrial Machinery: Food Processing | • Machine Tools |
| • Industrial Machinery: Chemical | • Pumps |
| • Industrial Machinery: Agriculture | • Pressure vessel, Boiler, Heat Exchanger |
| • Industrial Machinery: Packaging Machinery | • Automobile Parts/Components |
| • Industrial Machinery: Textile Machinery | • Steel Products |
| • Industrial Machinery: General | • Medical Devices |
| • Industrial Machinery: Cement | • Valves |
| • Industrial Machinery: Paper | • Fasteners |

Key market trends

- Generally, small medium enterprises (SME), prefer to purchase cheaper machinery and have lesser concern towards quality, hence will source from countries which produce cheaper, average quality engineering goods
- Besides the cost concerns, country of origin is an important factor when purchasing machinery due to quality perception related to country of origin
- Some Multi National Corporations have policies or preference toward certain brands of engineering goods e.g. Japanese companies prefer Japan made engineering goods

- **Precision engineering**
- **Metal working**
- **Power generation**
- **General industry machinery**



Malaysia's engineering goods supply chain and channel overview

International manufacturers commonly sell via Sole Distributors and Dealers

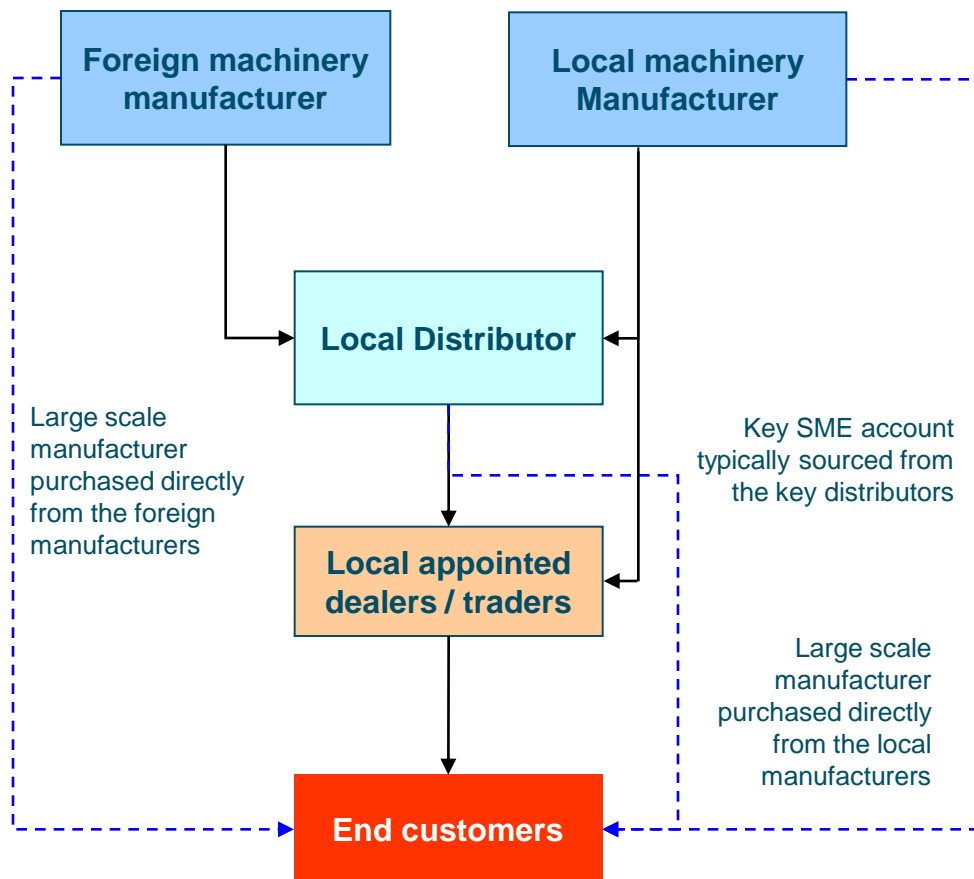
	Machinery		Parts
	Local Manufacturer	Intl. Manufacturer	
Engineering goods manufacturers	<ul style="list-style-type: none"> Local manufacturers most commonly sell within the local market Sells direct to end user and very rarely via a dealer 	<ul style="list-style-type: none"> International manufacturers will distribute via regional or local sole distributors Also known to also sell direct to end user if approached by end user 	<ul style="list-style-type: none"> Both International and local manufacturers - will also produce spare parts for servicing and maintenance of the machinery Parts will also be supplied and distributed via the sole distributor International and Local third-party spare part manufacturers will only sell their products via local traders
Sole Distributors	<ul style="list-style-type: none"> Local manufacturers completely bypass this level of the supply chain 	<ul style="list-style-type: none"> Act as a sales representative for the International Manufacturer Responsible for distribution to end users and to various dealers/traders across Malaysia 	<ul style="list-style-type: none"> The sole distributor will supply parts to the end user and via dealers Sole distributor will also handle all warranty and service/maintenance issues with end user
Dealers	<ul style="list-style-type: none"> Sells to end user or re-distributes to local traders Some local manufacturers enlist Dealers as sales representatives in other regions/states in Malaysia 	<ul style="list-style-type: none"> Sells to end user or re-distributes to local traders May act as a sales representative for the Sole distributor in other regions/states in Malaysia 	<ul style="list-style-type: none"> Similar to machinery, dealers will supply parts to end users and also distribute to various local traders Dealers who are appointed as sales representatives are authorized to handle servicing or machinery for end user but warranty claims must be referred back to the sole distributor
Traders	<ul style="list-style-type: none"> Only act as re-seller of machinery. Does not represent any particular brand as main business is just trading Supplies direct to end user 		<ul style="list-style-type: none"> Third-party spare part manufacturers will distribute parts via local traders who will supply to end users Traders only act as a re-seller and do not handle servicing or warranty issues
End user			

Source: Synovate Interviews and Analysis

Malaysia's engineering goods common supply chain and channels

Typical supply chain for engineering goods (machinery)

Buying process and channels (Machinery)



Key channels

- Foreign manufacturer typically appoint local distributor to conduct the sales/ marketing for their products due to lower investment and leveraging on distributors dealers network to penetrate the market.
- Local manufacturers appoint regional distributor and dealers to increase their presence in area not covered by the in-house sales team. Nevertheless, local manufacturers prefer to sell directly to end customers due to higher margin and ease of providing warranty.

Customer types

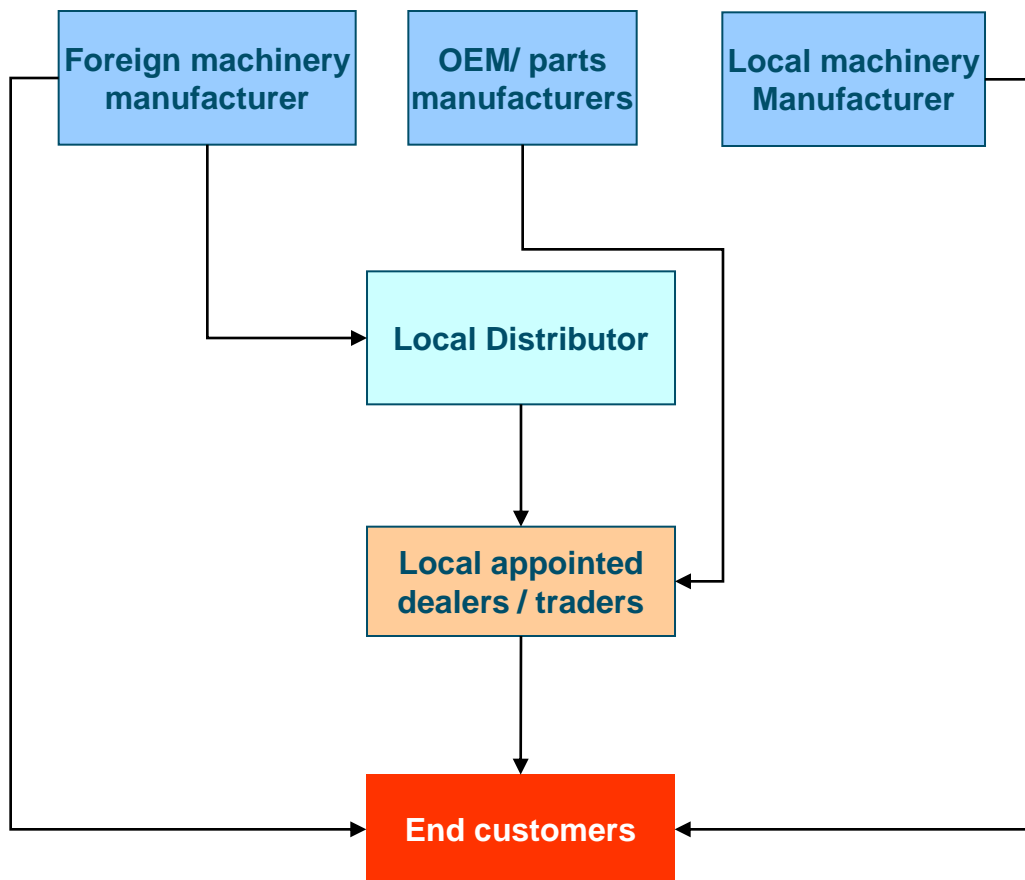
- Large scale manufacturers especially multinational companies typically purchase machineries directly from manufacturers



Malaysia's engineering goods common supply chain and channels

Typical supply chain for engineering goods (parts)

Buying process and channels (Parts)



Key channels

- International machinery manufacturers will also produce and supply spare parts to the Local sole distributor (LSD) for distribution together with machinery be it direct to end user or via appointed Local Dealers or random Local Traders

Customer types

- Machinery that is still under warranty will be maintained by the manufacturer/LSD and original parts will have to be purchased from the manufacturer/LSD
- When a machines warranty period has expired, the end user will still purchase original spare parts in order to avoid the machine breaking down thus hindering the manufacturing process of the end user
- For manufacturing processes where high quality standards are important, users will use original spare parts in order not to risk machine breakdown or faulty/low quality output products
- Cost conscious end users will purchase after market or imitation parts for non critical parts of machinery e.g. nuts, bolts, replacement covers, plastic parts. These parts do not pose a risk on the manufacturing process hence users are willing to save by purchasing these parts from other sources
- Typically users who purchase aftermarket parts will look for the closest match available to the original part. Aftermarket parts are mainly from China or Local spare part manufacturers

Source: Synovate Interviews and Analysis



**Import procedures,
standards, rules &
regulations**



Import procedures

General overview of steps to import into Malaysia

	Malaysian Importer	Indian Exporter
Goods exported from India	<ul style="list-style-type: none"> To determine if an import license is required for engineering goods that are being imported. If yes, has to apply for import license before shipment arrives in Malaysia To determine if a Certificate of Approval (CoA) is required for engineering goods that are imported. If the Indian exporter did not provide CoA, Malaysian importer has to apply for CoA once shipment has arrived in Malaysia 	<ul style="list-style-type: none"> If necessary, enlist Malaysian distributor to act as sales representative in Malaysia on behalf of Indian manufacturing company Forms to be submitted when exporting that are required by Malaysian Customs: Rules of Origin form, Packaging List, Invoice, Bill of Lading , Certificate of Approval* To save cost, it is advised that the Indian exporter apply for a CoA from NABL India as it is recognized by Malaysian Customs
Goods arrive in Malaysia	<ul style="list-style-type: none"> Upon arrival Malaysian Importer will have to submit the following forms to Malayisan Customs: Import Form K1, Rules of Origin form, Packaging List, Invoice, Bill of Lading, Import License*, CoA* If needed, application of CoA* from SIRIM 	
Payment of duties and taxes	<ul style="list-style-type: none"> Duties and taxes to be paid in full including any costs incurred for application of CoA Following this, goods will be cleared by the Malaysian Customs 	<ul style="list-style-type: none"> Import duties and taxes, payable to the Malaysian Customs, are commonly paid for by the importer. However there are circumstances where import duties are paid for by the exporter based on contractual agreements between Malaysian importer and Indian exporter
Goods ready to be collected		

Source: Synovate Interviews and Analysis, * if applicable



Import procedures (cont'd)

Types of forms required for importation of engineering goods

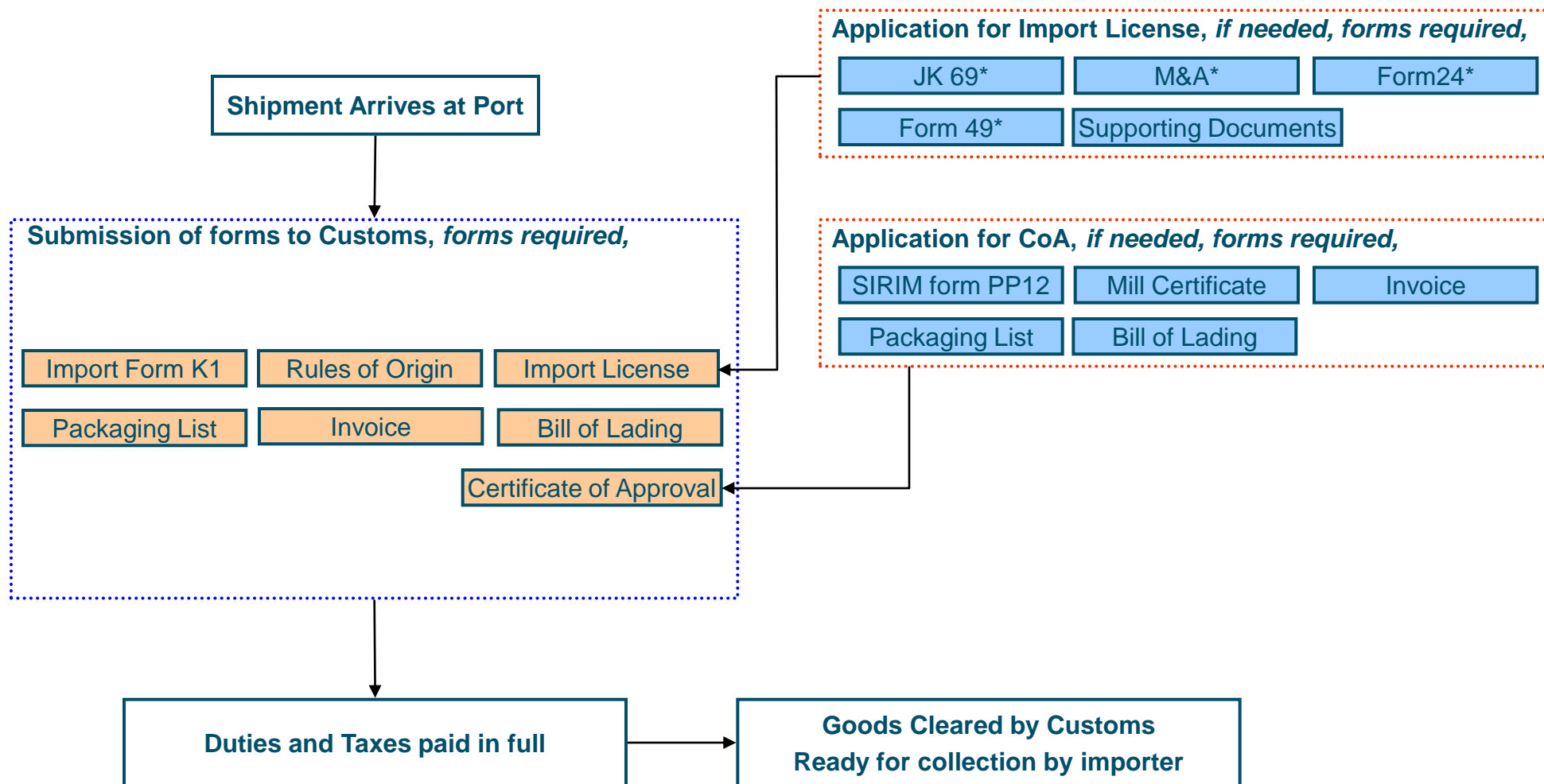
Forms	Explanation
Import form K1	This is the main import form required by the Malaysian Customs This form will contain important information such as :- <ul style="list-style-type: none"> • Name and contact of Indian exporter and Malaysian importer • Description of goods imported including HS code • Quantity of goods
Rules of Origin	This form is to declare that the goods imported into Malaysia originate from India and are not re-exported from India The purpose of this declaration is for the importer to receive AIFTA preferential tariff rates
Packaging list	To declare :- <ul style="list-style-type: none"> ▪ Description of goods ▪ Packaging ▪ Quantity and total weight
Bill of Lading	Contains information such as :- <ul style="list-style-type: none"> ▪ Exporter and Importer contact details, name and address ▪ Date of shipment ▪ Origin and destination of shipment ▪ Description, quantity and weight of goods ▪ Declared valuation of goods including freight charges
Invoice	Invoice form is a sales invoice document is required by the Malaysian Customs to know the transaction value of the goods in order to calculate import duties and sales tax
Certificate of Approval	The certificate of approval can be issued by NABL India or SIRIM Malaysia and its purpose is to ensure that goods meet international quality standards of manufacture. It is only applicable for Iron and Steel products
Import license	An import license is required to import certain goods into Malaysia e.g. iron and metal products and machinery used in manufacture of medicine. An import license must be acquired from MITI by the Malaysian importer

Source: Synovate Interviews & Analysis, Customs, Ministry of International Trade and Industry (MITI)



Import procedures (cont'd)

Import process of engineering goods





Import procedures (cont'd)

Preferred method of payment for Malaysian importers

- Malaysian importers commonly use two methods of payment when importing:-
 - Letter of credit
 - Telegraphic transfer
- Letter of credit is seen as the more secure mode of payment because the payment is guaranteed by a bank, while telegraphic transfer is less complex
- Telegraphic transfer may either involve full or partial payment before the goods are shipped
- This is in accordance to the agreement between the Indian exporter and local Malaysian importer
- To avoid cases of fraud, Indian exporters are advised to carefully seek out established importers and to verify the nature of their business prior to business dealings



Import procedures (cont'd)

Need of import license

Overview

- First step in importing into Malaysia is to determine if an Import License is required to import a particular product. If yes, Import licenses have to be acquired from the Ministry of International Trade and Industry (MITI)
- Once Import License is available and goods arrive at port, forms will have to be submitted by the importer to Customs
- Forms that are required to be declared:
 - Customs Form K1 Import Form
 - Import License
 - CoA
 - Rules of Origin Form (for countries under FTA, to qualify for preferential tariffs)
 - Bill of Lading
 - Packaging List
 - Invoice (for determining transaction cost for calculation of Import Duties)
- If CoA is not available, has to be acquired from SIRIM before proceeding
- Following this, Customs will inspect goods to determine if they comply with declarations submitted in forms to Customs
- Customs will then advise importer on tariffs and taxes that are due. Once duties have been paid in full and all forms are submitted and approved, Customs will release the goods to be collected from the port by the importer. It is the job of the importer to arrange for a transport company to transport goods from port to warehouse or shop



Rules and Regulations - Import license

Steps to acquire import license for Malaysian importer

Overview

- An Import License is required to import certain goods determined by the Ministry of International Trade and Industry (MITI)
- An Import License can be acquired from MITI by submitting application and related forms and documents to the 'Import and Export Control Division' of MITI
- Procedures for application of Import License:
 - Only a local Malaysian company registered with the Companies Commission of Malaysia is allowed to apply for an Import License
 - Forms to be submitted:

Forms	Explanation
JK 69 Form	Is the official form for application of Import license. It contains details such as :- <ul style="list-style-type: none"> ▪ Origin of goods ▪ Contact details of importer including company name ▪ Purpose of import ▪ Estimated quantity and transaction value
Memorandum and Article of Association	Documents to declare that the Malaysian importer is a Malaysian company registered with the Companies Commission of Malaysia <i>(Note: Only applicable for first time applications)</i>
Form 24	Information of company share holders <i>(Note: Only applicable for first time applications)</i>
Form 49	Information of Directors, Managers and Company secretary <i>(Note: Only applicable for first time applications)</i>
Supporting documents	Manufacturing license of manufacturer of goods that are being imported Purchase invoice and sales order



Rules and Regulations - Import license (cont'd)

List of products that require Import license

- Any type of heavy machinery that requires high human involvement during the machine's working process
- Flat-Rolled Products of Iron or Non-Alloy Steel, of a width of 600mm or more, Hot Rolled, Not Clad, Plated or Coated.
- Flat Rolled Products of Iron or Non-Alloy, of a width of 600mm or more Cold-Rolled. (Cold-Reduced), Not Clad, Plated or Coated.
- Flat-Rolled Products of Iron or Non-Alloy Steel, of a width of 600mm or more, Clad, Plated or Coated.
- Flat Rolled Products of Iron or Non-Alloy, of a width of 600mm or more Cold-Rolled (Cold-Reduced), Not Clad, Plated or Coated not further worked than Hot Rolled.
- Flat-Rolled Products of Iron or Non-Alloy Steel, of a width of less 600mm or more, Not Clad or Coated.
- Tubes, Pipes and Hollow Profiles of Cast Iron.
- Tubes, Pipes and Hollow Profiles, Seamless, of Iron (other than Cast Iron) or Steel - Line Pipe of kind used for Oil or Gas Pipelines.
- Other Tubes and Pipes (ex: Welded, Riveted or Similarly Closed) having Circular Cross- Sections, the external diameter of which exceeds 406.4mm of Iron and Steel.
- Other Tubes, Pipes and Hollow Profiles (e.g: Open Seam or Welded, Riveted or Similarly loosed) of Iron or Steel.
- Iron & steel products which has been exempted from Import License but require Certificate of Approval from CIDB (Construction) or SIRIM (Other than Construction).
- Machinery used in the manufacture of medicine



Rules and Regulations - Rules of Origin

Pre-requisite to receiving AIFTA preferential tariff rates

Overview

- Under an FTA, the Rules of Origin law is enforced prior to an importer enjoying preferential tariff rates
- The purpose of the Rules of Origin document is to certify that goods imported into Malaysia originates from India and comes under the AIFTA
- It is to hinder re-exportation of goods from other countries via India into Malaysia
- It goes to say that under the AIFTA a minimum 35% of a certain product must be manufactured or assembled in India to qualify for AIFTA preferential tariff rates
- The calculation formula states that:

$[(\text{Total Manufacturing Cost} + \text{Profit}) / \text{Free on Board Value}] * 100\%$,Must be higher than 35%



Standards – Certificate of Approval

To ensure high quality standards of certain goods imported into Malaysia

Overview

- The Certificate of Approval is required to be declared to the Malaysian Customs prior to goods being released at the port. The CoA is to ensure that goods imported into the country meet international quality standards and to hinder import of low quality products and goods
- The CoA can be issued by SIRIM Malaysia or the National Accreditation Board for Testing (NABL) India as it is recognized by either party under the Mutual Recognition Agreement
- SIRIM is a national authorised body in charge of ensuring that high quality standards are maintained in the local manufacturing industry and to ensure that quality standards of goods imported meet set global standards. Similar to NABL of India
- SIRIM ensures that certification, inspection and testing services provided comply with standards set by global quality assurance and accreditation bodies so that customers will be safe when using machinery and engineering goods to avoid untoward incidences
- Products that require mandatory certification e.g. household, electronics goods, machine and hand tools, will have to acquire SIRIM approval before it can be sold to local market or exported. However for goods that do not require mandatory certification, certification can still be done at the request of local manufacturers. This is to have their goods quality standards certified which is important for local manufacturers who intend on exporting as a SIRIM certification will testify of a products quality standards

Mutual Recognition Agreement

- The Mutual recognition Agreement (MRA) is a coalition of International Standards, Inspections and Certification bodies like SIRIM (Malaysia) and NABL (India)
- The MRA signifies the acceptance of testing, certification and verification reports of the various partner bodies. Meaning to say, if a certification is issued by NABL – it is recognized in Malaysia by SIRIM



Standards – Certificate of Approval (cont'd)

Types of forms required for Certificate of Approval (CoA)

- When a shipment of Iron and Steel products arrives at the port, Customs will require that a CoA be submitted along with the other required documents before goods can be released. If CoA is available, it will be subject to verification by SIRIM
- However if CoA is not available, the importer will have to apply for a CoA

New Application

Forms	Explanation
SIRIM form PP12	Main application form for CoA contains general information on shipment and goods including quantity and country of origin
Bill of Lading	<i>Same document as submitted to Customs</i>
Packaging list	<i>Same document as submitted to Customs</i>
Invoice	<i>Same document as submitted to Customs</i>
Mill certificate	Document issued by manufacturer of goods/products to specify manufacturing process of a product and also types of raw material used

Verification

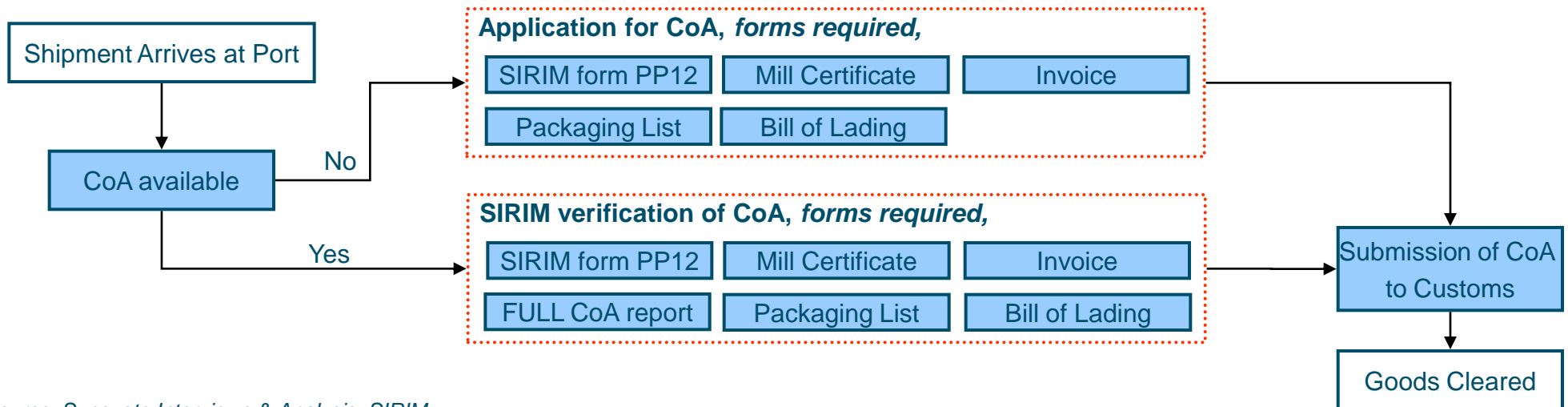
Forms	Explanation
SIRIM form PP12	Main application form for CoA contains general information on shipment and goods including quantity and country of origin
Full test report	This is the full CoA issued by NABL India
Bill of Lading	<i>Same document as submitted to Customs</i>
Packaging list	<i>Same document as submitted to Customs</i>
Invoice	<i>Same document as submitted to Customs</i>
Mill certificate	Document issued by manufacturer of goods/products to specify manufacturing process of a product and also types of raw material used

Standards – Certificate of Approval (cont'd)

Procedure when importing engineering goods with CoA

Overview

- The Certificate of Approval (CoA) is issued by SIRIM for Iron and Steel products
- CoA is applicable for produced locally and products imported into the country
- It is to ensure that iron and steel products that are produced locally or enter the country via imports, comply with international quality standards. This is to hinder local production or import of low quality raw material
- Certificate of Approval can also be issued by NABL and will be recognised in Malaysia by SIRIM
- Types of tests conducted for CoA:
 - Tensile, Yield, Elongation test
 - Chemical composition test
 - Hardness test
 - Coating thickness test
 - Flattening, Bending, Breaking load test
 - Charpy Impact test



Source: Synovate Interviews & Analysis, SIRIM



Standards – Certificate of Approval (cont'd)

Procedures for new CoA application

New Application

- When a shipment of Iron and Steel products arrives at the port, Customs will require that a CoA be submitted along with the other required documents before goods can be released. If CoA is available, it will be subject to verification by SIRIM
- However if CoA is not available, the importer will have to apply for a CoA
- To do this the importer will have to submit the following forms to SIRIM:
 - SIRIM form PP12
 - Bill of Lading
 - Packaging list
 - Invoice
 - Mill certificate
- Once forms are submitted and SIRIM verifies type of raw material, SIRIM will submit a quotation to the importer stating tests that need to be conducted and the various costs incurred
- Common pricing for FULL certification tests is MYR 4150. Breakdown:
 - Application fee – MYR 150
 - Verification and Sampling fee – MYR 1000
 - Full range of tests – MYR 3000
- Once payment is made in full to SIRIM, full tests and verification will be conducted at the port. This process would take about 10 days
- If raw materials pass all certification tests, the CoA will be issued and raw material will be released by Customs. However if the goods do not pass the CoA test, Customs will hold the goods at the port and will eventually ship it back to country of origin

Note: It is possible for the overseas manufacturer/exporter to courier a sample size of the iron and steel products for pre-certification of CoA before shipment arrives in port. To do this exporters must fill up 'Notification of Submission of Sample Through Courier Services' letter to be couriered to SIRIM together with raw material sample of at least 40cm in length. Sample and letter should be received by SIRIM at least 10 days before arrival of goods at port

Note: CoA is PER SHIPMENT basis, average payment of MYR 4150 is required for all shipments. To avoid this, it is best that exporter apply for CoA for raw material at country of origin



Standards – Certificate of Approval (cont'd)

Procedures for verification of CoA

Verification

- If the shipment of raw material arrives at port with a CoA issued by a partner certification body under the MRA, the CoA must be submitted to Customs for further verification by SIRIM
- In the event the CoA is available, the following forms have to be submitted to SIRIM:
 - SIRIM form PP12
 - Full Test Report from the accredited/recognized body
 - Bill of Lading
 - Packaging list
 - Invoice
 - Mill Certificate
- SIRIM will then inspect the documentation and if satisfactory, SIRIM will inform Customs to released the goods. However if SIRIM is not satisfied with the CoA, a fresh CoA will have to be conducted and approved by SIRIM
- Common pricing for verification of 3rd party CoA is MYR 650. Breakdown:
 - Application fee – MYR 150
 - Verification fee –MYR 500

Exemption of CoA

- Under the following import conditions, the requirement for CoA is exempted. However all forms still need to be submitted prior to SIRIM exempting requirement for CoA. Conditions:
 - Companies which import for use in a LMW or FIZ
 - Imports of less than 500 kg for each type of material (e.g. iron, steel)
 - Imports of parts for machinery, automotive, industrial plants will be exempted from Coa
 - Goods imported for re-exportation



Overview
ASEAN-INDIA
free trade agreement
analysis



ASEAN-India Free Trade Agreement (AIFTA)

Provides better market access and a liberalized regional trading environment

Overview

- AIFTA will be an important pillar in supporting bilateral economic growth as it is seen to lead to a liberalized and fair regional trading environment
- AIFTA is aimed at achieving more aggressive trading between ASEAN nations and to create a more effective market access between partner countries
- Indian exporters should view the proposed tariff reductions as a key factor to increase exports to Malaysia to penetrate the local market

Malaysia's objectives in negotiating FTAs



- *Seek and achieve better market access bilaterally*
- *Increase foreign trade, foreign investment and economic development*
- *Enhance competitiveness of Malaysian importers/exporters*
- *Enhance technology sharing to boost manufacturing industries*

Key implications :-

- The AIFTA between ASEAN and India will lead to freer market access by means of tariff reductions
- Tariff reductions will allow Indian manufacturers to export more machinery into Malaysia at low or zero import tariffs which will enable them to competitively price machinery in the local Malaysian market



ASEAN-India Free Trade Agreement (AIFTA) (cont'd)

The eventual long term goal bilaterally for Malaysia and India is to boost manufacturing industries by the sharing of technologies

Short term

- This Free Trade Agreement which came into effect on the 1st of January 2010 opened the door to a freer and more open trade market between ASEAN and India due to the elimination and reduction of Import Duties over the next 3 to 9 years
- Between ASEAN and India there is a total market of ~1.7 billion people and a combined GDP of USD 2.8 trillion. Trade between India and Malaysia is expected to grow by 1.3 times to ~USD 12 billion (Malaysia) and by 2.5 times to ~USD 5 billion (India)

Mid term

- Countries involved will progressively reduce duties on many traded goods over a period of 3 to 9 years with the intention to eventually eliminate duties. Malaysia will eventually eliminate import duties on 6,792 products by 31st December 2013 while another 1,266 duties will be completely eliminated by 31st December 2016. However import duties on remaining 1336 products will only be reduced to 5% by 31st December 2016 in order to protect local manufacturers
- India on the other hand has promised to initially eliminate import duties on 7767 products by 31st December 2013 followed by 1260 more products by 31st December 2016. Similarly, to protect the local manufacturers, import duties on 1810 products will only be reduced to 5% by 31st December 2016

Long term

- This FTA is expected to in the long run boost mainly the agricultural products sector, textiles sector, iron and steel sector, automotive sector including parts and components and ceramic tiles sector. Manufacturers in both nations are expected to start sourcing for raw material from partner nations due to the elimination of import duties
- Stronger bilateral relations will not only promote more products traded between Malaysia and India but will also assist Malaysian manufacturers in learning from the Indian experience in areas of R&D and technological advancements



ASEAN-India Free Trade Agreement (AIFTA) (cont'd)

Progressive tariff reduction overview

Tariff line	Key products	Current import tariffs	Final import tariffs
Zero import tariffs	<ul style="list-style-type: none"> • Packaging machinery • Food processing machinery • Machinery for working rubber/plastics • Agriculture machinery • Paper making machinery • Metal rolling mills and rolls • Moulding boxes for metal, mould bases and patterns • Casting machines • Parts of steam and vapour turbines • Industrial boilers • General industrial machinery • Machinery replacement parts • Machine tools and hand tools • Taps, cocks, valves • Medical devices • Drive axles and bumpers for motor vehicles 	0%	-

Key Implications :-

- All products under these segments have 0% import tariffs. These products will be the best products to target and start exporting into Malaysia



ASEAN-India Free Trade Agreement (AIFTA) (cont'd)

Progressive tariff reduction overview

Tariff line	Key products	Current import tariffs	Final import tariffs
Normal Track 1 – 2013 tariff reduction schedule	<ul style="list-style-type: none"> • Parts for steam, vapour generating boilers • Auxiliary plants for use with boilers • Condensers for steam, vapour • Pressure vessels • Tubes or pipe fittings • Pumps for liquids • Lifting and handling machinery • General parts for machinery, machine and hand tools • Transmission shafts, gears, clutches and gaskets 	3% - 7.5%	0% in 2013

Key Implications :-

- All products under these segments have low import tariffs. These products should also be targeted by Indian exporters to be marketed in Malaysia



ASEAN-India Free Trade Agreement (AIFTA) (cont'd)

Progressive tariff reduction overview

Tariff line	Key products	Current import tariffs	Final import tariffs
Normal Track 2 – 2016 tariff reduction schedule	<ul style="list-style-type: none"> • Specialised replacement parts for machines • Machinery for sorting/screening mineral substances • Concrete or mortar mixing machines • Complex patterns moulding boxes and bases • Water tube boilers with steam production • Hybrid boilers • Industrial cooling towers • Tubes or pipe fittings • Pumps for use in engines • Taps, cocks valves • Piston and cylinder rings • Suspension systems for automobile 	4% - 30%	0% in 2016

Key Implications :-

- Products under these segments have low to high import tariffs. These products should be placed as second priority for export into Malaysia at least until 2016 when tariffs drop to 0%



ASEAN-India Free Trade Agreement (AIFTA) (cont'd)

Progressive tariff reduction overview

Tariff line	Key products	Current import tariffs	Final import tariffs
Special Track – 2019 tariff reduction schedule	<ul style="list-style-type: none"> • Air or vacuum pumps • Parts and accessories for motor vehicles • Wheels and parts, accessories for motor vehicles 	5% - 27%	5% in 2019

Key Implications :-

- All products under these segments have high tariffs and also have strong local manufacturing. Tariffs will only drop to 5% in 2019 and should be least priority for Indian exporters



Segment Addressability Analysis

Specific for current 0% import duties

Segment	Key products	Total Malaysia import value	Total India export value	Observation	Suggestions
Specialised Machinery (only product groups in the next column)	<ul style="list-style-type: none"> • Packaging machinery • Food processing machinery • Machinery for working rubber/plastics • Agriculture machinery • Paper making machinery 	~USD 620 million	~USD 440 million	<ul style="list-style-type: none"> • Malaysia is a producer of food based and agriculture products, hence demand for machinery is high • Local companies like Agro Industrial Supplies are not able to match high local demand 	<ul style="list-style-type: none"> • Indian manufacturers have a significant market potential in Food processing and Packaging machinery
Metal Working (only product groups in the next column)	<ul style="list-style-type: none"> • Metal rolling mills and rolls • Moulding boxes for metal, mould bases and patterns • Casting machines 	~USD 710 million	~USD 380 million	<ul style="list-style-type: none"> • Local demand is met by local manufacturers • Low supply of high end machinery i.e. High speed precision metal stamping 	<ul style="list-style-type: none"> • High demand for mould bases and boxes could see significant opportunity for Indian manufactures

Source: Synovate Analysis, Note: HS Code in Appendix 2



Segment Addressability Analysis (cont'd)

Specific for current 0% import duties

Segment	Key products	Total Malaysia import value	Total India export value	Observation	Suggestions
Power Generation (only product groups in the next column)	<ul style="list-style-type: none"> Parts of steam and vapour turbines Industrial boilers 	~USD 600 million	~USD 530 million	<ul style="list-style-type: none"> High imports of steam and vapour turbines and related parts due to lack of local manufacturing 	<ul style="list-style-type: none"> Indian manufacturers have opportunity in exporting replacement parts for steam and vapour turbines into Malaysia
General Machinery (only product groups in the next column)	<ul style="list-style-type: none"> General industrial machinery Machinery replacement parts Machine tools and hand tools Taps, cocks, valves Medical devices Drive axles and bumpers for motor vehicles 	~USD 2.97 million	~USD 4.28 million	<ul style="list-style-type: none"> High demand mainly for replacement parts Common Importers/traders in this segment e.g. Rexpower, Azonic Industrial Tools, Edamed Medical Devices 	<ul style="list-style-type: none"> Indian companies urged to tap into after-market replacement parts segment for machinery and motor vehicles Export of medical devices and equipment

Source: Synovate Analysis, Note: HS Code in Appendix 2



Segment Addressability Analysis (cont'd)

Specific for Normal Track 1 (2013) tariff reduction schedule

Segment	Key products	Total Malaysia import value	Total India export value	Observation	Suggestions
Power Generation (only product groups in the next column)	<ul style="list-style-type: none"> Parts for steam, vapour generating boilers Auxiliary plants for use with boilers Condensers for steam, vapour Pressure vessels 	~USD 44 million	~USD 130 million	<ul style="list-style-type: none"> Current tariff 3%-7.5% Local demand is high Pressure vessels and boilers are commonly manufactured locally 	<ul style="list-style-type: none"> Indian manufacturers should look into export of replacement parts for boilers and auxiliary plants to Malaysia
General Machinery (only product groups in the next column)	<ul style="list-style-type: none"> Tubes or pipe fittings Pumps for liquids Lifting and handling machinery General parts for machinery, machine and hand tools Transmission shafts, gears, clutches and gaskets 	~USD 1.1 billion	~USD 940 million	<ul style="list-style-type: none"> Current tariff 4%-7.5% Local competition is high due to more suppliers in this segment due to larger market and higher demand 	<ul style="list-style-type: none"> Indian manufacturers can export gaskets and gears which have high local demand Indian manufacturers can increase exports to match high local demand for engineering products

Source: Synovate Analysis, Note: HS Code in Appendix 2



Segment Addressability Analysis (cont'd)

Specific for Normal Track 2 (2016) tariff reduction schedule

Segment	Key products	Total Malaysia import value	Total India export value	Observation	Suggestions
Specialised Machinery (only product groups in the next column)	<ul style="list-style-type: none"> Specialised replacement parts for machines Machinery for sorting/screening mineral substances Concrete or mortar mixing machines 	~USD 72 million	~USD 91 million	<ul style="list-style-type: none"> Current tariff 18%-25% Local demand and supply for machinery is growing Businesses like Interstrap (M) import various specialised machinery 	<ul style="list-style-type: none"> Prior to local manufacturers expanding to fulfil local demand, Indian manufacturers are urged to tap into this available market
Metal Working (only product groups in the next column)	<ul style="list-style-type: none"> Complex patterns moulding boxes and bases 	~USD 9.4 million	~USD 12.5 million	<ul style="list-style-type: none"> Current tariff 4%-20% Local metal working players e.g. YMC Forging are very strong and are advancing in production of machinery and moulds 	<ul style="list-style-type: none"> Indian manufacturers to look into supplying mould boxes with complex patterns

Source: Synovate Analysis, Note: HS Code in Appendix 2



Segment Addressability Analysis (cont'd)

Specific for Normal Track 2 (2016) tariff reduction schedule

Segment	Key products	Total Malaysia import value	Total India export value	Observation	Suggestions
Power Generation (only product groups in the next column)	<ul style="list-style-type: none"> Water tube boilers with steam production Hybrid boilers Industrial cooling towers 	~USD 120 million	~USD 202 million	<ul style="list-style-type: none"> Current tariff 18%-25% Local demand for boilers matches supply hence imports are low Visdamax is an industry player importing and trading boilers 	<ul style="list-style-type: none"> High import value of cooling towers signify high local demand
General Machinery (only product groups in the next column)	<ul style="list-style-type: none"> Tubes or pipe fittings Pumps for use in engines Taps, cocks valves Piston and cylinder rings Suspension systems for automobile 	~USD 1.31 billion	~USD 3.28 billion	<ul style="list-style-type: none"> Current tariff 4%-30% Local demand for general machinery and replacement parts is high and so is supply 	<ul style="list-style-type: none"> Indian manufacturers have potential to penetrate this segment by concentrating on specific replacement parts for automobile As well as other equipment e.g. pumps

Source: Synovate Analysis, Note: HS Code in Appendix 2



Segment Addressability Analysis (cont'd)

Specific for Special Track (2019) tariff reduction schedule

Segment	Key products	Total Malaysia import value	Total India export value	Observation	Suggestions
General Machinery (only product groups in the next column)	<ul style="list-style-type: none"> Air or vacuum pumps Parts and accessories for motor vehicles Wheels and parts, accessories for motor vehicles 	~USD 295 million	~USD 202 million	<ul style="list-style-type: none"> Current tariff 5%-27% Malaysia is a strong producer of automobile parts and air pumps Schmaco Auto Parts is one of many local importers of auto spare parts 	<ul style="list-style-type: none"> Indian manufacturers can look to penetrate automobile spare parts market as demand is very high



Conclusion and recommendation



Key Findings and Recommendations

1| Lack of awareness

■ Key findings:

- Lack of understanding on India product offerings. Malaysian traders have limited knowledge on what India has to offer in terms of machinery and engineering goods
- This is because Indian machinery and engineering goods are not widely available locally
- As such local traders have relatively low knowledge on business opportunity with Indian manufacturers/exporters

■ Recommendations:

- Create awareness through advertising, marketing and promotion campaigns. Indian manufacturers should advertise in local directories e.g. Superpages
- Indian manufacturers should create awareness of Indian product offerings e.g. through trade facilitations
- Increase participation of local Malaysian companies in trade events organised in collaboration with the High Commission of India, Kuala Lumpur, MY, through aggressive promotion campaigns
- EEPC to work with Indian manufacturers to release a quarterly email newsletter on new machinery or technologies being developed in India to educate local users
- Collaboration with local chamber of commerce to further Indian manufacturers to partner with local Chambers of Commerce e.g. MAICCI to sell/promote Indian machinery
- EEPC to emulate trading portals such as Malaysia Trade Post as an avenue to advertise India product offerings (<http://www.malaysiatradepost.com/>)



Key Findings and Recommendations (cont'd)

2| Lack of local sales representatives

■ Key findings:

- Local potential buyers are unsure on where to source for Indian machinery however engineering goods from other countries have a wide network of distributors
- There are very few Malaysia based sales representatives for Indian machinery and engineering goods as compared to sales representatives for machinery from other countries who sell an extensive range of machinery and engineering goods
- As such, even though potential buyers are keen on purchasing Indian product offerings, they have little avenues to purchase
- Similar engineering goods sold in Malaysia have strong branding and strong country of origin perception due to a wide network of distributors who have been marketing products locally for many years

■ Recommendations:

- Develop close working relationships with local distributors and seek to appoint distributors for Indian machinery as a large number of sales representatives will ensure Indian products are more readily available to local users
- This is important as a network of distributors and sales representatives within Malaysia will enable Indian manufacturers to be closer to customer base and to facilitate quicker turn around time. Distributors should store adequate inventory in Malaysia to cut down turn around time for delivery
- Directory of Indian manufacturers, both in soft and hard copy, to be more widely distributed to local importers and distributors to make them aware of potential business dealings with Indian manufacturers
- Sales representatives perception of a brand plays an important role in influencing potential buyers, it is important that Indian manufacturers have good networking and good working relationships with local sales representatives. Similarly, Indian manufactures and exporters should leverage on supplying machinery with high quality at a competitive price
- Strive to create a brand image and statement of quality for Indian machinery synonymous with quality, technology, innovation and competitive pricing



Key Findings and Recommendations (cont'd)

3| Local perception is that Indian machinery are of high quality

■ Key findings:

- Local Malaysian importers, traders and potential buyers have indicated perceived high quality of Indian machinery and engineering goods
- This is based on India excelling in R&D and development of new technologies

■ Recommendations:

- Leverage on perception of high quality as a main selling point for India product offerings as perception of quality is linked to willingness to purchase and use Indian machinery
- Indian manufacturers should uphold high quality standards of Indian machinery while seeking to be as cost effective and affordable as possible
- As such, Indian manufacturers should be made aware of the benefits of AIFTA tariff reductions as this will allow Indian exporters to offer cost effect products because it will be cheap to export into Malaysia hence end price of products will not be inflated
- Beyond this, Indian manufacturers can benefit from strong R&D by developing new technologies and be the first in the world to market these new technologies and innovations



Key Findings and Recommendations (cont'd)

4| Perceived slower response time

■ Key findings:

- Malaysian businesses feel that Indian companies are not fast in responding to sales order queries as compared to manufacturers from other countries
- Manufacturers from other countries are more aggressive in marketing their products and Indian manufacturers should seek to benchmark themselves against market leaders e.g. China, Japan, Germany

■ Recommendations:

- General operational efficiency is a must when operating on a global level
- Malaysian businesses expect prompt feedback that is on average within two working days
- Taking heed, Indian manufacturers should be responsive to potential customers sales queries and to ensure fast turn around times for delivery of machinery and engineering goods
- As such, be customer and dealer friendly and proactive to their needs and wants



Appendix



Appendix 1
Indian engineering
goods export
overview



Indian engineering goods export overview

Indian engineering goods export based on EEPC product panels

Panel ID	Panel description	2005-06 USD million	2006-07 USD million	2007-08 USD million	2008-09 USD million	% change
P02	Industrial Machinery for manufacture of Paper, Cement and Chemicals including Pressure Vessels, Boilers and Heat Exchanger and Textile Mill Machinery & Accessories including all types of Knitting Machines.	497	640	935	1,204	28.7%
P03	Food Processing Machinery Sugar Mill Machinery including Pharmaceutical Machinery	167	188	246	271	10.3%
P04	Agricultural Machinery - Field Equipments	423	543	610	673	10.2%
P05	Industrial Machinery – others including Heating, Cooling and other Air-Conditioning Equipments.	809	955	1,233	1,232	-0.1%
P06	Motor Vehicles excluding Two Wheelers and Three Wheelers.	1,324	1,540	1,910	3,050	59.7%
P07	Automobile Components Spare Parts Accessories	1,346	1,481	1,810	1,831	1.1%
P08	Bicycles, Bicycle Components and Accessories. (This will also include Tricycles and parts)	242	269	295	353	19.4%
P09	Internal Combustion Engines, Compressors and parts thereof.	704	885	1,222	1,409	15.3%
P10	Electric Power Machinery Switchgear and Control gear	1,352	2,419	3,216	4,083	26.9%
P11	Two Wheelers and Three Wheelers - Complete	253	305	294	488	66.2%
P12	Electric and Home Appliances-Fans, Sewing Machines, Dry Batteries, Torch Lights etc	693	818	814	1,278	57.0%
P13	Iron & Steel.	3,101	4,519	4,381	5,116	16.8%
P14	Machine Tools.	230	255	334	375	12.2%
P15	Hand Tools.	205	183	193	196	1.7%
P16	Fabricated Steel Structures including Transmission Line Towers.	268	371	631	565	-10.5%
P17	Steel Pipes, Tubes and Fittings thereof.	871	1,165	2,222	2,278	2.5%
P18	Steel Wire products – all types including Steel Wire, Wire Ropes and Strands.	257	349	442	412	-6.8%

Source: DGCI&S, EEPC-India




Indian engineering goods export overview

Indian engineering goods export based on EEPC product panels

Panel ID	Panel description	2005-06 USD million	2006-07 USD million	2007-08 USD million	2008-09 USD million	% change
P19	Other Steel Products – all types	1,137	1,480	2,014	2,133	5.9%
P20	Sanitary Castings. (This will also include Valve Box, Water Meter Box and Meter Lids).	119	139	164	174	5.8%
P21	Ferrous Industrial Castings.	157	200	276	303	9.8%
P22	Steel Forgings – all types.	292	386	516	549	6.4%
P23	Aluminium and Manufactures thereof.	581	770	1,083	1,116	3.0%
P24	Non-Ferrous Metals & Manufactures thereof (other than Aluminium) including EPNS Wares etc.	1,661	3,874	3,368	2,331	-30.8%
P27	Fasteners – all types	195	204	273	346	26.7%
P28	Pumps – all types.	181	242	323	390	21.0%
P30	Construction and Earthmoving Machinery	402	545	788	972	23.3%
P32	Mica and other Mineral based Products.	152	145	207	223	8.1%
P33	Miscellaneous Manufactures - N.O.S. including Ferrous Holloware and Office Equipments	460	491	683	728	6.6%
P34	Small & Cutting Tools including Engineers Files.	184	225	229	236	3.0%
P35	Instruments – all types.	624	721	808	1,011	25.2%
P36	Railway Rolling Stock and Components Signaling Equipments and other Transport Equipments	1,019	1,171	2,530	5,225	106.5%
P37	Ferro Alloys.	266	364	1,118	1,547	38.3%
P38	Stainless Steel Houseware Products. (This covers Utensils, Cutlery, Kitchen Equipments etc.)	227	218	166	168	1.0%
P39	Builders Hardware including Hinges, Door Fittings, Locks, Pad Locks etc. of Base Metal.	129	163	209	184	-12.1%

Source: DGCI&S, EEPC-India



Appendix 2
Key Products HS
Code

HS Code for key products

Food Processing Machinery	
841720	ovens; non-electric, bakery ovens, including biscuits ovens, for industrial or laboratory use
841981	machinery; for making hot drinks or for cooking or heating food, not used for domestic purposes
843510	presses, crushers and similar machinery; used in the manufacture of wine, cider, fruit juices or similar
843610	machinery; for preparing animal feeding stuffs
843780	machinery; for use in the milling industry or for the working of cereals or dried leguminous vegetables, other
843810	machinery; industrial, for bakery and for the manufacture of macaroni, spaghetti or similar products
843820	machinery; industrial, for the manufacture of confectionery, cocoa or chocolate
843830	machinery; industrial, for sugar manufacture
843850	machinery; industrial, for the preparation of meat or poultry
843860	machinery; industrial, for the preparation of fruits, nuts or vegetables
843880	machinery; industrial, not elsewhere specified in heading no. 8438 for the industrial preparation or manufacture of food or drink, excluding that used for the extraction or preparation of animal or fixed vegetable
847890	machinery; parts, for preparing or making up tobacco machines, not elsewhere specified in chapter 84
847920	machinery; for the extraction or preparation of animal or fixed vegetable fats or oils

Packaging Machinery	
842290	Parts of washing, filling, closing, aerating machinery
842240	Packing or wrapping machinery
842300	Machinery to fill, close, aerate bottles, containers

Parts of Steam and Vapour turbines	
840690	turbines; parts of steam and other vapour turbines
841199	turbines; parts thereof and parts of gas turbines (excluding turbo-jets and turbo-propellers)
848210	bearings; ball
848220	bearings; tapered roller, including cone and tapered roller assemblies
848230	bearings; spherical roller
848250	bearings; other cylindrical roller bearings
848280	bearings; not elsewhere specified in heading 8482, including combined ball/roller bearings
848291	bearings; parts thereof, balls, needles and rollers
848299	bearings; parts thereof, other than balls, needles and rollers
848320	bearing housings, incorporating ball or roller bearings

HS Code for key products

Mould Bases and Boxes	
848020	moulding boxes; mould bases
848071	moulds; for rubber or plastics, injection or compression types
848079	moulds; for rubber or plastics, other than injection or compression types
848049	moulds; for metal or metal carbides, other than injection or compression types
848010	moulding boxes; for metal foundry
848060	moulds; for mineral materials
848030	moulding patterns; of copper

Medical Devices	
841920	sterilizers; for medical, surgical or laboratory use, not used for domestic purposes
901110	microscopes, compound optical; including those for microphotography, microcinematography or
901180	microprojection : stereoscopic microscopes and others
901811	instruments and appliances used in medical, surgical, dental or veterinary sciences, including scintigraphic apparatus, other electro-medical apparatus and sight testing instruments : electro-diagnostic apparatus, syringes with or without needles used in medical, surgical, syringes, needles, catheters, cannulae and the like; tubular metal needle
901831	
901832	
901841	
901849	
901850	instruments and appliances used in medical, surgical, dental or veterinary sciences, including scintigraphic apparatus, other electro-medical apparatus and sight testing instruments :other instruments and appliances,
901890	mechano-therapy, massage appliances; psychological aptitude testing apparatus; ozone, oxygen, aerosol
901910	therapy, artificial respiration or other therapeutic respiration apparatus : mechano-therapy appliances
901920	breathing appliances and gas masks; excluding protective masks having neither mechanical parts nor replaceable filters and excluding apparatus of item 90.19.20 : other breathing appl and gas masks, excl
902000	orthopaedic appliances; including crutches, surgical belts and trusses; splints and other fracture appliances; artificial parts of the body; hearing aids and other which are worn, carried or implanted in the body to compensate for a defect or disability,
902129	
902140	
902150	
902190	x-ray, alpha, beta, gamma radiation apparatus x-ray tubes, x-ray generators, high tension generators, control panels and desks, screens, examination or treatment tables, chairs and the like : apparatus based on the use
902221	
902230	hydrometers and similar floating instruments , thermometers, pyrometers, barometers, hygrometers and psychrometers, recording or not and any combination of these instruments ; thermometers and pyrometers,
902519	
902590	instruments and apparatus for measuring or checking the flow, level pressure of liquids, gases (floe meters, heat meters e.t.c.), not instruments and apparatus of heading no. 9014, 9015, 9028 Or 9032 ; instruments and
902620	
903210	regulating and controlling instruments and apparatus; automatic type; thermostats, electrically or electronically



HS Code for key products

Automobile Parts	
840991	parts suitable for use solely or principally with the engines of heading 84.07 or 84.08;crank cases for engine; engines; parts, carburettors and parts thereof, for spark-ignition, internal combustion piston engines, for earth moving machinery; parts suitable for use solely or principally with the engines of heading 84.07 or 84.08;
840999	engines; carburettors and parts thereof, for compression-ignition internal combustion piston (diesel or semi-diesel) engines, for earth moving machinery; parts, piston with external diameter between 50mm and 155mm, for compression-ignition internal combustion piston (diesel or semi-diesel) engines, cylinder liners with internal
841290	engines; parts, for engines and motor of heading 8412
848310	transmission shafts (including cam shafts and crank shafts) and cranks
848330	bearing housings, not incorporating ball or roller bearings, plain shaft bearings
848340	gears and gearing, other than toothed wheels, chains sprockets and other transmission elements presented separately; ball or roller screws; gear boxes and other speed changers, including torque converters
848360	clutches and shaft couplings (including universal joints)
848390	transmission components; toothed wheels, chains sprockets and other transmission elements presented
848410	gaskets and similar joints; of metal sheeting combined with other material or of two or more layers of metal
848490	sets or assortments of gaskets and similar joints; dissimilar in composition, put up in pouches, envelopes or
870600	chassis fitted with engines, for the motor vehicles falling within heading no.8701
870790	vehicles; bodies (including cabs) for the motor vehicles of heading 8704
870810	vehicles; bumpers of plastics and parts thereof, for motor vehicles falling within heading no. 8702 to 8705
870821	vehicles; bumpers of plastics and parts thereof, other parts and accessories of bodies (including cabs); safety
870829	vehicles; parts and accessories of bodies (including cabs) of the motor vehicle, other parts, for motor vehicles
870840	vehicles; parts and accessories of the motor vehicles, gear boxes, for motor vehicles falling within heading
870850	vehicles; parts, drive-axles with differential, whether or not provided with other transmission components:drive-axles with differential, whether or not provided with other transmission components, for other motor vehicles
870870	vehicles;road wheels and parts and accessories thereof :road wheels and parts thereof, fitted with tyres, for
870880	vehicles; parts, suspension shock- absorbers for other motor vehicles
870891	vehicles; parts, radiators for tractors, for motor vehicles falling within heading 87.01
870892	vehicles; parts, silencers and exhaust pipes:silencers and exhaust pipes for ot vehicles of heading 87.01
870893	vehicles;clutches and parts thereof for motor vehicles falling within heading 87.01
870894	vehicles; parts, steering wheels, columns and boxes for tractors parts thereof, for motor vehicles falling within
870899	vehicles; other parts and accessoriesfor motor vehicles falling within headings nos. 8702, 8703, 8704 and
871419	vehicles; parts and accessories of heading no. 8711 to 8713 ; of motorcycles :spokes



HS Code for key products

Boilers	
840211	boilers; watertube boilers with a steam production exceeding 45 t per hour, electric operated
840212	boilers; watertube boilers with a steam production not exceeding 45 t per hour
840219	boilers; watertube boilers with a steam production exceeding 15t but not exceeding 45 t per hour
840290	boilers; parts of steam or other vapour generating boilers, including super-heated water boilers (excluding central heating hotwater boilers capable of producing low pressure steam)
840310	boilers; central heating boilers, excluding those of heading no. 8402
840390	boilers; parts for central heating boilers, excluding those of heading no. 8403
840410	boilers; auxiliary plant, for use with boilers of heading 84.02, not elsewhere specified in subheading no.
840420	boilers; condensers for steam or other vapour power units
840490	boilers; parts, for subheading no. 8404.10.90 (ahtn) or subheading 8404.10 100 (hs)

Concrete or Mortar Mixing, Sorting, Screening Machinery	
842430	mechanical appliances; steam or sand blasting machines and similar jet projecting machines
846420	machine tools; grinding or polishing machines, for working stone, ceramic, concrete, asbestos-cement or like
846490	machine tools; not elsewhere specified in heading 8464, for working stone, ceramic, concrete, asbestos-
847431	machines; for mixing or kneading, concrete or mortar mixers
847439	machines; for mixing or kneading, not elsewhere specified in subheading 8474.31 and 8472.32
847480	machines; for agglomerating, shaping or moulding solid mineral fuels, ceramic paste, unhardened cement, plastering materials or other mineral products, in powder or paste form, for forming foundry moulds of sand

HS Code for key products

Pumps	
841319	pumps; fitted or designed to be fitted with a measuring device, for dispensing fuel or lubricants, (other than of the type used in filling-stations or in garages), of hand pump type and others
841330	pumps; fuel, lubricating or cooling medium pumps for internal combustion piston engines, reciprocating, with
841340	pumps; concrete, whether or not fitted with a measuring device, electrically and non electrically operated
841360	pumps; rotary positive displacement pumps, not elsewhere specified in subheading 8413.30 or 8413.40
841360	pumps; rotary positive displacement water pumps (excluding specially designed for submarine use),
841370	pumps; centrifugal, with inlet diameter not exceeding 200 mm, not elsewhere specified in subheading 8413.30
841370	pumps; single stage, single suction horizontal shaft water pumps suitable for belt drive or direct coupling, other than pumps with shafts common with prime mover, centrifugal, with inlet diameter not exceeding
841370	pumps; impluse-turbo water pumps, of a capacity not exceeding 100 watts, of a kind for household use, centrifugal, with inlet diameter not exceeding 200mm, electrically operated
841370	pumps; centrifugal, with inlet diameter not exceeding 200 mm, not electrically operated
841381	pumps; for liquid, whether or not fitted with with a measuring device, not elsewhere specified in heading 8413
841381	pumps; not elsewhere specified in subheading, not electrically operated
841391	pumps; parts for liquids
841391	pumps; vacuum pumps
841410	pumps; vacuum pumps, not electrically operated
841480	hoods; having a maximum horizontal side exceeding 120 cm, fitted with filter and others; blowers; generators; free-piston generators for gas turbines; compressors; gas compression modules for use in oil drilling operations; hoods; having a maximum horizontal side exceeding 120 cm; compressors other having a capacity exceeding 21 kw per hour or more; having a displacement per revolution of 220 cc or more; compressors; not
841490	parts; for pumps or compressors



Appendix 3

Trade fairs



Trade fairs in Malaysia

Malaysia International Hardware Show

- Next event: 22th to 25th Sept 2010
- Putra World Trade Centre
- Organizer:
 - Universal Exhibitions Services Sdn Bhd
 - Tel: +603 7842 9863
 - Exhibitor profile:
 - Hand and machine tools, Heat and thermal related products, Safety equipment, Industrial fixtures and fittings
 - Visitor profile:
 - Light to Medium manufacturing industries, Construction and related industries

Malaysia Metalworking Machinery Exhibition

- Next event: 29th Sept to 2nd Oct 2010
- Kuala Lumpur Convention Centre
- Organizer:
 - Premier Exhibition Services Sdn Bhd
 - Tel: +603 5635 6086
 - Exhibitor profile:
 - CAD/CAM Systems, Prototyping Systems, Metal Cutting Machine Tools, Sheet Metal Processing & Metal Forming, Moulds & Dies, Forging & Castings Equipment, Surface & Heat Treatment Finishing Equipment, Hardware & Power Tools, Welding & Fastening Equipment, Material Handling & Storage System, Process Automation
 - Visitor profile:
 - Semiconductor Industry, Automotive Parts, Mould & Die Manufacturing, Foundries, Mills, Oil & Gas, Parts Manufacturing, Telecommunications Equipment Manufacturing, Fabrication and Metalworks, Trader of Machine Tools



Trade fairs in Malaysia

Malaysia International Industrial Machinery Expo

- Next event: 7th to 9th Oct 2010
- Danga City Mall, Johor Bahru
- Organizer:
 - Red Events Malaysia Sdn Bhd
 - Tel: +603 6148 4688
 - Exhibitor profile:
 - Flexible Packaging and wrapping, Plastic films, foils, Contract Packaging, Pharmaceutical product process and packaging machinery, Plastic Blending Machines, Blow Molding Machines and Rubber Blending Machineries
 - Visitor profile:
 - Related to Packing, Paper and Plastic industry, Rubber industry, Printing industry and factory automation industry

Metal Technology Show

- Next event: 21st to 24th Oct 2010
- Putra World Trade Centre
- Organizer:
 - Fairs & Events Management Sdn Bhd
 - Tel: +603 5636 1788
 - Exhibitor profile:
 - Quality Controls, Machine Tool, Sheet Metal, Metrology, Compressors & Vacuum pump, Automation Controls, Design Engineering, Sub contracting, Hand tools and Weldtech.
 - Visitor profile:
 - Automotive Manufacturers, Electrical & Electronic Semiconductor Production, Precision Engineering, Tools, Dies & Moulds Manufacturing, Fabricated Metal Components & Product Manufacturing, Technical & Vocational Training Colleges, System integrators




Trade fairs in Malaysia

MetalTech Malaysia

- Next event: 4th to 8th May 2011
- Putra World Trade Centre
- Organizer:
 - Trade-link Exhibition Services Sdn Bhd
 - Tel: +603 7842 9863
 - Exhibitor profile:
 - Includes CAD/CAM/CAE Systems, Prototyping Systems, Metal Cutting Machines Tools, Sheet Metal Processing, Metal Forming, Moulds & Dies, Forgings & Castings Equipment, Surface Treatment & Finishing, Welding & Fastening Equipment
 - Visitor profile:
 - Principle manufacturing companies, OEMs, R&D, Small-Medium Industry operators, Steel fabrication & construction contractors, General engineering workshop, Plant maintenance professionals

MTA Malaysia

- Next event: 4th to 8th May 2011
- Putra World Trade Centre
- Organizer:
 - Singapore Exhibition Services
 - Tel: +65 6233 6638
 - Exhibitor profile:
 - Manufacturers of Balancing Systems, Bending Machines, Blowers & Dryers, Boring Machines, Shaping Machines, Coordinated Measuring Equipment, Cutting Tools & Tooling Systems, Dimensional Measuring Devices, Drilling & Tapping Machines, Strength Testing Equipment, Forming & Finishing Machines, Grinding Machines
 - Visitor profile:
 - Automotive Manufacturing, Building & Construction, Design Services, Electrical / Electronics Manufacturing, IT & Telecommunications, Metal Components, Oil & Gas/Chemical Processing, Research & Development, Rubber & Plastic Products.



**Appendix 4
Government
agencies and trade
associations**



Government Agency & Associations in Malaysia

Indian High-Commission of Malaysia

- The High Commission of India, No. 2 Jalan Taman Duta, Off Jalan Duta, 50480 Kuala Lumpur
- Tel : +603-2093 3510 www.indianhighcommission.com.my
- Fax: +603-2093 3507 comm@indianhighcommission.com.my

Royal Malaysian Customs

- Royal Malaysian Customs Headquarters Ministry Of Finance Complex, No. 3 Persiaran Perdana, Precinct 2, 62596 Putrajaya
- Tel : +603-8882 2100 www.customs.gov.my
- Fax: +603-8882 2110

Ministry of International Trade and Industry (MITI)

- Block 10, Government Offices Complex, Jalan Duta, 50622 Kuala Lumpur
- Tel: +603-6203 3022 www.miti.gov.my
- Fax: +603-6203 2337 webmiti@miti.gov.my

SIRIM Berhad

- No. 1, Persiaran Dato' Menteri, Seksyen 2, 40911 Shah Alam, Selangor Darul Ehsan
- Tel: +603-5544 6000 www.sirim.my
- Fax : +603-5510 8095 web@sirim.my

Malaysia External Trade Development Corporation (MATRADE)

- Menara MATRADE, Jalan Khidmat Usaha, Off Jalan Duta, 50480 Kuala Lumpur
- Tel: +603-6207 7077 www.matrade.gov.my
- Fax: +603-6203 7037 info@matrade.gov.my

Department of Standards Malaysia (STANDARDS MALAYSIA)

- Century Square, Level 1 & 2, Block 2300, Jalan Usahawan, 63000 Cyberjaya, MALAYSIA
- Tel: +603-8318 0002 www.standardsmalaysia.gov.my
- Fax: +603-8319 3131 info@standardsmalaysia.gov.my



Government Agency & Associations in Malaysia (continued)

Malaysian Investment Development Authority (MIDA)

- 3rd floor, Block 4, Plaza Sentral, Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Kuala Lumpur
- Tel : +603-2267 3633 www.mida.gov.my
- Fax: +603-2267 6688 investmalaysia@mida.gov.my

Malaysian Associated Indian Chambers of Commerce and Industry (MAICCI)

- Megan Avenue 11, Block B, 9th floor, Unit 1, 12, Jln Yap Kwan Seng, 50450 Kuala Lumpur,
- Tel: +603- 2171 2616 www.maicci.org.my
- Fax:+603- 2171 1195 info@maicci.org.my

Malaysian Plastics Manufacturers Association

- 37 Jalan 20/14, Paramount Garden, 46300 Petaling Jaya, Selangor Darul Ehsan
- Tel: +603 7876 3027 www.mpma.org.my
- Fax: +603 7876 8352 info@mpma.org.my

Malaysian Textile Manufacturers Association

- C-9-4, Megan Avenue 1, 189, Jalan Tun Razak, 50400 Kuala Lumpur
- Tel: +603-2162 1587 www.fashion-asia.com
- Fax: +603-2162 5148

Malaysian Automotive Component Parts Manufacturers (MACPMA)

- Wisma FMM, No. 3, Persiaran Dagang, PJU 9, Bandar Sri Damansara, 52200 Kuala Lumpur
- Tel: +603-6286 7200 www.macpma.org.my
- Fax: +603-6277 6714 macpma@fmm.org.my

MALAYSIA MEDICAL DEVICE ASSOCIATION (MMDA)

- 54-A, Jalan SS 2/67, 47300 Petaling Jaya, Selangor Darul Ehsan
- Tel: +603-7875 4468 www.mmda.org.my
- Fax: +603-7875 4470 secretariat@mmda.org.my



Government Agency & Associations in Malaysia *(continued)*

Malaysia Mould & Die Assoc (MMADA)

- 21-3 Jalan 1/16B, Kuchai Entrepreneur Park, Off Jalan Klang Lama, 58200 Selangor
- Tel: +603-7980 1415 www.mmada.org.my
- Fax: +603-7980 1442 info@mmada.org.my

National Chamber Of Commerce & Industry Of Malaysia

- 37, Jalan Kia Peng, 50450 Kuala Lumpur, Malaysia
- Tel: +603-2141 9600 www.nccim.org.my
- Fax : +603-2141 3775 info@nccim.org.my

Malaysian Oil & Gas Services Council (MOGSC)

- No. D-0-5, Setiawangsa Business Suite, Jalan Setiawangsa 11, Taman Setiawangsa, 54200 Kuala Lumpur, Malaysia
- Tel: +603 4251 1781/1784 www.mogsc.org.my
- Fax: +603 4256 9286 mogsc@mogsc.org.my

SELANGOR AND FEDERAL TERRITORY MACHINERY MERCHANTS ASSOCIATION

- 28-1, Jalan Pinggir Off Jalan Ipoh, 51200 Kuala Lumpur
- Tel: +603 - 4042 3799 www.safma.org.my
- Fax: +603-4041 2899 info@safma.org.my

The Selangor & Kuala Lumpur Foundry & Engineering Industries Association

- 8, (2nd Floor), Jalan 1-77B, off Jalan Changkat Thambi Dollah, 55100 Kuala Lumpur.
- Tel: +603-2148 3461 / 2141 8843 www.sfeia.org
- Fax: +603-2142 2423 admin@sfeia.org

MALAYSIAN PALM OIL ASSOCIATION

- 12th Floor, Bangunan Getah Asli(Menara) 148, Jalan Ampang, 50450 Kuala Lumpur
- Tel: +603-27105680 www.mpoa.org.my
- Fax: +603-27105679 enquiry@mpoa.org.my



Government Agency & Associations in Malaysia (continued)

Kuala Lumpur & Selangor Indian Chamber of Commerce & Industry

- 116, 2nd Floor, Jalan Tuanku Abdul Rahman, Kuala Lumpur, Malaysia
- Tel: +603-26931033 www.klsicci.com.my
- Fax: +603- 26911670 enquiry@klsicci.com.my

Malaysian International Chamber Of Commerce & Industry

- C-08-08, 8th Floor, Block C, Plaza Mont' Kiara, No. 2, Jalan Kiara, Mont' Kiara, 50480 Kuala Lumpur
- Tel: +603-6201-7708 www.micci.com
- Fax : +603-6201-7705 micci@micci.com

Kuala Lumpur Malay Chamber of Commerce

- No. 79C, Tingkat L3, Kompleks Damai, Jalan Datuk Haji Eusoff, 50400 Kuala Lumpur, Malaysia
- Tel: +603 4042 4711 www.klmcc.com
- Fax: +603 4042 1540 inquiries@klmcc.com

Associated Chinese Chambers of Commerce and Industry of Malaysia

- Lot 6.05 & Lot 6.06, 6th Floor, Menara KH, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia
- Tel: +603 - 2145 2503, 2145 2653 www.accim.org.my
- Fax: +603-2145 2562 accim@accim.org.my

Federation of Malaysian Manufacturers

- Wisma FMM, No 3 Persiaran Dagang, PJU 9, Bandar Sri Damansara, 52200 Kuala Lumpur
- Tel: +603-62867200 www.fmm.org.my
- Fax: +603-6274 1266



Government Agency & Associations in India

Malaysian High-Commission of India

- 50-M, Satya Marg, Chanakyapuri, 110 021 New Delhi
- Tel : +91-11-2611 1291 http://www.kln.gov.my/web/ind_new-delhi/home
- Fax: +91-11-2688 1538 maldelhi@kln.gov.my

EEPC New Delhi

- Executive Director
- Vandhna, 4th Floor, 11, Tolstoy Marg, 110 001 New Delhi
- Tel : +91-11-2371 6071 eepto@eepc.gov.in
- Fax: +91-11-2331 0920

EEPC Kolkata

- Addl. Executive Director & Secretary
- Vanijya Bhawan, 1st Floor, International Trade Facilitation Centre, 1/1, Wood Street, 700 016 Kolkata
- Tel: +91-33-2289 0651 eepc@eepcindia.org
- Fax: +91-33-2289 0654

EEPC Singapore

- Resident Director
- No. 3, Shenton Way, #07-02 Shenton House, 068805 Singapore
- Tel: +65-6227 9282 enexprco@singnet.com.sg
- Fax: +65-6227 9284



**Appendix 5
Malaysian importers
& distributors**



Malaysian Importers & Distributors (cont'd)

Tungalay Malaysia

- 50 K-2, Kelana Mall, Jalan SS6/14, Kelana Jaya, 47301 Petaling Jaya, Selangor
- Tel : +603-7805 3222 Alloy parts
- Contact: Lee Kek Chit Fax: +603-7804 8563

Azonic Industrial Tools

- 21, Jalan 30A/119, Taman Taynton View, 56000 Cheras, Kuala Lumpur
- Tel : +603-9130 9626 Machine and Hand tools
- Contact: May Chan Fax: +603-9131 7727

SRITA

- 4, Jalan Todak 1, Pusat Bandar Seberang Jaya, 13700 Prai, Penang
- Tel : +604-398 4210 Machine and Hand tools and parts
- Contact: Kenny Lee Fax: +604-398 4209

Formahero Machinery

- 5, Jalan Kamunting 1, Seksyen BB6, Bandar Bukit Beruntung, 48300 Rawang, Selangor
- Tel : +603-6021 2199 Metal, Alloy, Aluminum parts
- Fax: +603-6021 7199

Merge Tools Enterprise

- 88, Jalan Bulan U5/173, Seksyen U5, Sungai Buloh, 40150 Shah Alam, Selangor
- Tel : +603-7848 3370 Metal press dies, Plastic mould machinery and parts
- Contact: David Chung Fax: +603-7848 3390

Panamech Machinery

- 14, Lorong Sanggul 1C, Bandar Puteri, 41200 Klang, Selangor
- Tel : +603-5161 7876 Machine Tools, Engraving machinery
- Contact: Andy Guee Fax: +603-5161 7136



Malaysian Importers & Distributors (cont'd)

Seepex Malaysia

- 59-1, Blok G, Jln PJU 1/37, Dataran Prima, 46500 Petaling Jaya, Selangor
- Tel: +603-7880 6951 Hydraulic pumps for chemical, food, paper, petroleum and gas industries

Perpetual Reit

- No. 43, Jln Meranti Jaya 12, Taman Meranti Jaya, 47100 Puchong, Selangor
- Tel: +603-8062 4099 Plastic injection moulding machine and blow moulding machine
- Contact: Ho Yu Pin

SLL Machinery Hardware

- No. 32, Jln Kuala Kangsar, Tasek Industrial Estate, 31400 Ipoh, Perak
- Tel: +605-545 4516 Supplier of various hand tools and machine tools
- Contact: C L Wong

Interstrap Malaysia

- Plot 3107, Block F, Jln BS 7/1, Kaw Perindustrian Bkt Serdang, 43300 Seri Kembangan, Selangor
- Tel: +603-8942 6700 Supplier of fully automated strapping machine
- Contact: C Y Lim

YSH Marina Machinery

- A-2-19, 2nd Floor, Kompleks Industri Puchong, Jln TPP 1/6, Taman Industri Puchong, 47100 Puchong, Selangor
- Tel: +603-8062 4577 Distributor of various Machine tools and Agriculture related equipment
- Contact: Chia Ching Boo

Paksi Karisma

- 66, Jln SG 4/8, Taman Sri Gombak, 68100 Gombak, Selangor
- Tel: +603-6186 6595 Supply drilling machines
- Contact: Salim



Synovate Business Consulting

Synovate Business Consulting is a regional division of Synovate, one of the top ten largest market research agencies in the world. We are dedicated to providing business intelligence and strategy solutions, ranging from market and competitor analysis to full market entry strategy consulting. This unique resource offers cost-effective and reliable results throughout Asia Pacific.

Our people

Synovate Business Consulting provides a flexible and robust service through its unique infrastructure: a team of 80 specialists based in Beijing, Bangkok, Hong Kong, Jakarta, Kuala Lumpur, Melbourne, Mumbai, New Delhi, Perth, Seoul, Shanghai, Singapore, Sydney, Taipei and Tokyo

Industry coverage

Our expertise is in market analysis and business development solutions, and we apply this in many different industries. Past experience of over 1,400 projects since our founding in 1995 covers:

- Consumer products and services
- Commercial and industrial products and services
- Government and non-profit services

Reporting structure

Deliverables cover areas such as strategy recommendations, analyses of market size, segmentations, market potential, competitive situation, value chain and business environment.

Service areas

We conduct projects in the following areas:

- Market profiles
- Competitive intelligence
- Market knowledge databases
- Market potential and feasibility studies
- Market entry consulting
- Partner evaluation and selection
- Customer intelligence
- Value chain consulting

Research methodology

Research and data collection are handled by in-country analysts, and include:

- Industry and expert interviews
- Desk and on-line research
- Retail checks and on-site observation
- Primary research in the target market

Our analysis and interpretation of findings provides truly comprehensive results, including estimates, projections, strategy development and action recommendations.