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**Malaysian Economy  
&  
The Middle Eastern Potentials---2009**

**By: Hussain Najadi  
Founder-Chairman  
AIAK GROUP**

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## The Topics of the Day: 10<sup>th</sup>. Commandments....???

**What a refreshing agenda, suggested by ASLI to me on this today's Topic: "What is on the minds of Arab Investors"?? I congratulate ASLI for choosing this Topic for my address.**

**It is high time and appropriate for a nation, for an economy, for a government to seek the view of other players of themselves?**

**It is the beginning of the road to enlightenment and better governance. How many of us...How many of you, (the audience) start your day, by looking at the mirror, and asking your self, how do I look today?**

**I do not mean, physical, I do not mean the latest affect of ant-aging cream, or lucky ones of you, of your good look given to you by plastic surgeons ....NO....I mean, by you asking how do I look, in the eyes of others, of my friends, of my colleagues, of the people...WHEN we are blessed by GOD, then, you will get up, and look at the mirror, and ask yourself these relevant questions:**

**AM I a good person? AM I a better person than I was yesterday?**



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**What is my usefulness to the society, to others, to loved ones?**

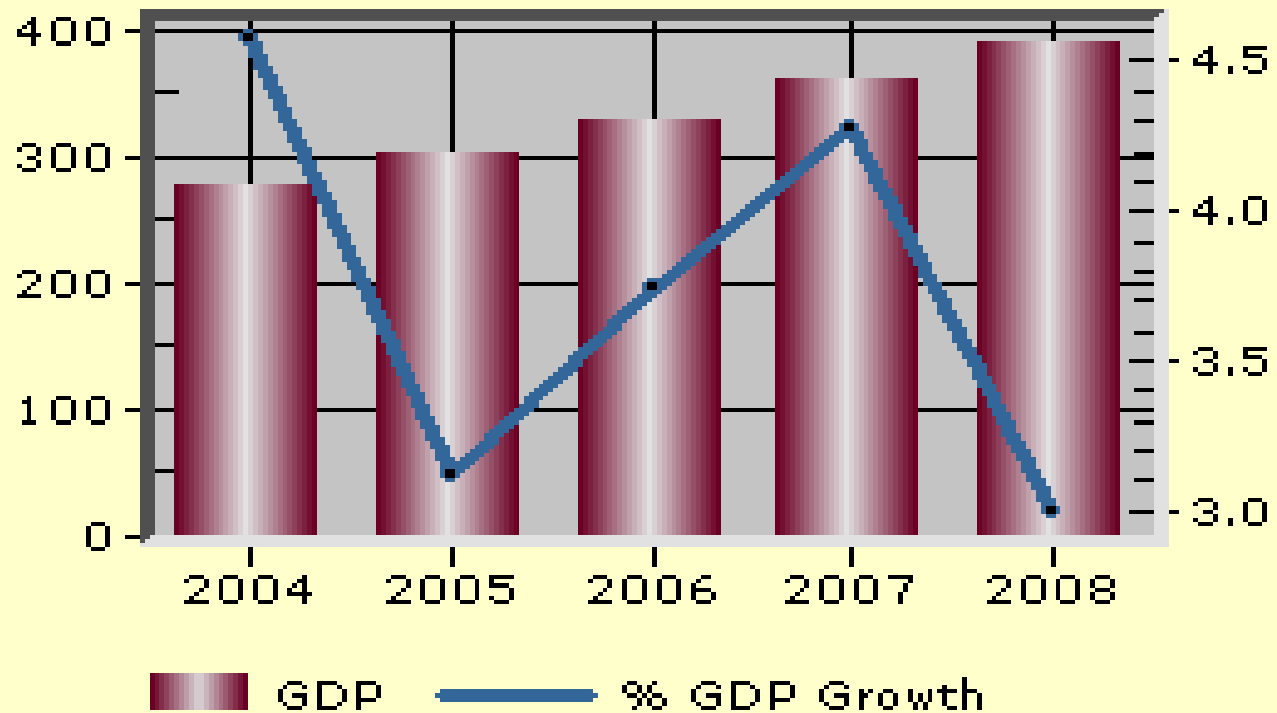
**ASLI's asking this question, has meaning beyond what I will say today. I beg ASLI to continue in this path of enlightenment...in the days ahead ....as we really need to ponder, to evaluate, and to think and re-think our agenda in life, in business, in government...in society. The world has changed all around us, for better, for worst.**

**IF ASLI will ask the Chinese, the Indians, the Malays, and the Westerners:**

**HOW do you view Malaysia? How do we view ourselves....and then take these views, compile them, and come up with a list of 10 Recommendations to the Prime Minister, to the Finance Minister, in short to the relevant Ministers of Malaysia, and tell these Honorable Gentlemen, this is the view of others on you, on your performance and on your shortcomings and these are our 10 Commandments.....**

**IF we can do that, then ASLI has truly delivered a great service to the nation.**

# Malaysia: 2009 a very bleak year indeed! Bad news all around us now.....?

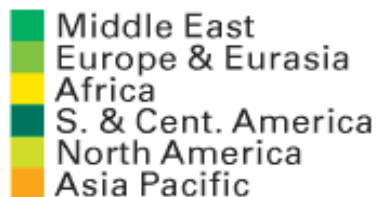


Source: EIU, London/AIAK

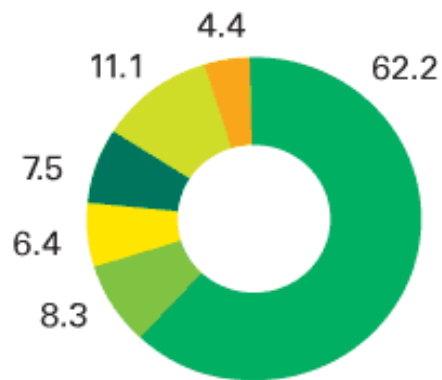


# MALYSIA'S FUTURE MARKETS....!

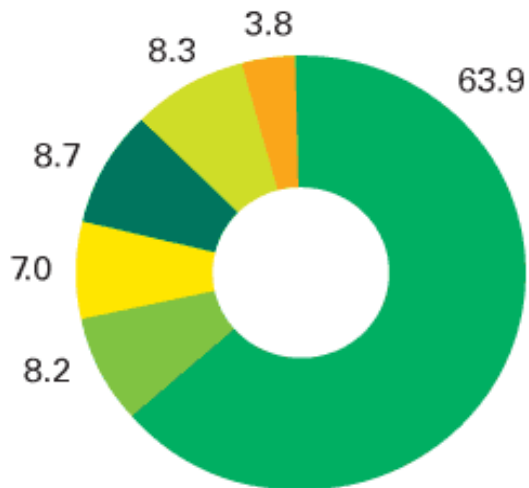
Distribution of proved reserves in 1987, 1997 and 2007  
Percentage



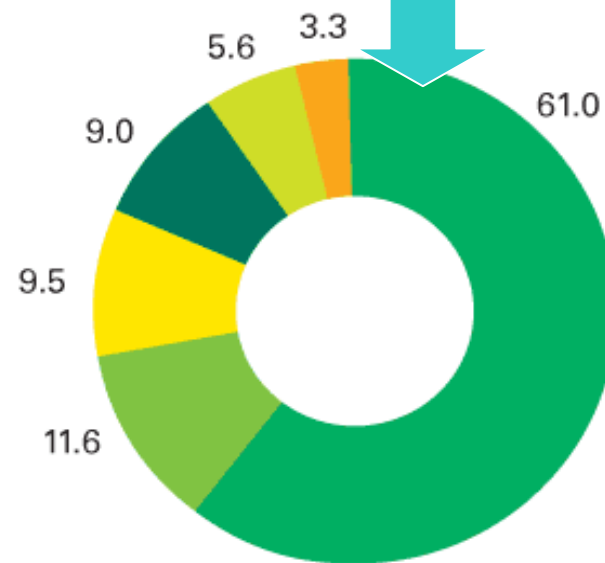
MALAYSIA



1987  
Total 910.2 thousand million barrels



1997  
Total 1069.3 thousand million barrels



2007  
Total 1237.9 thousand million barrels

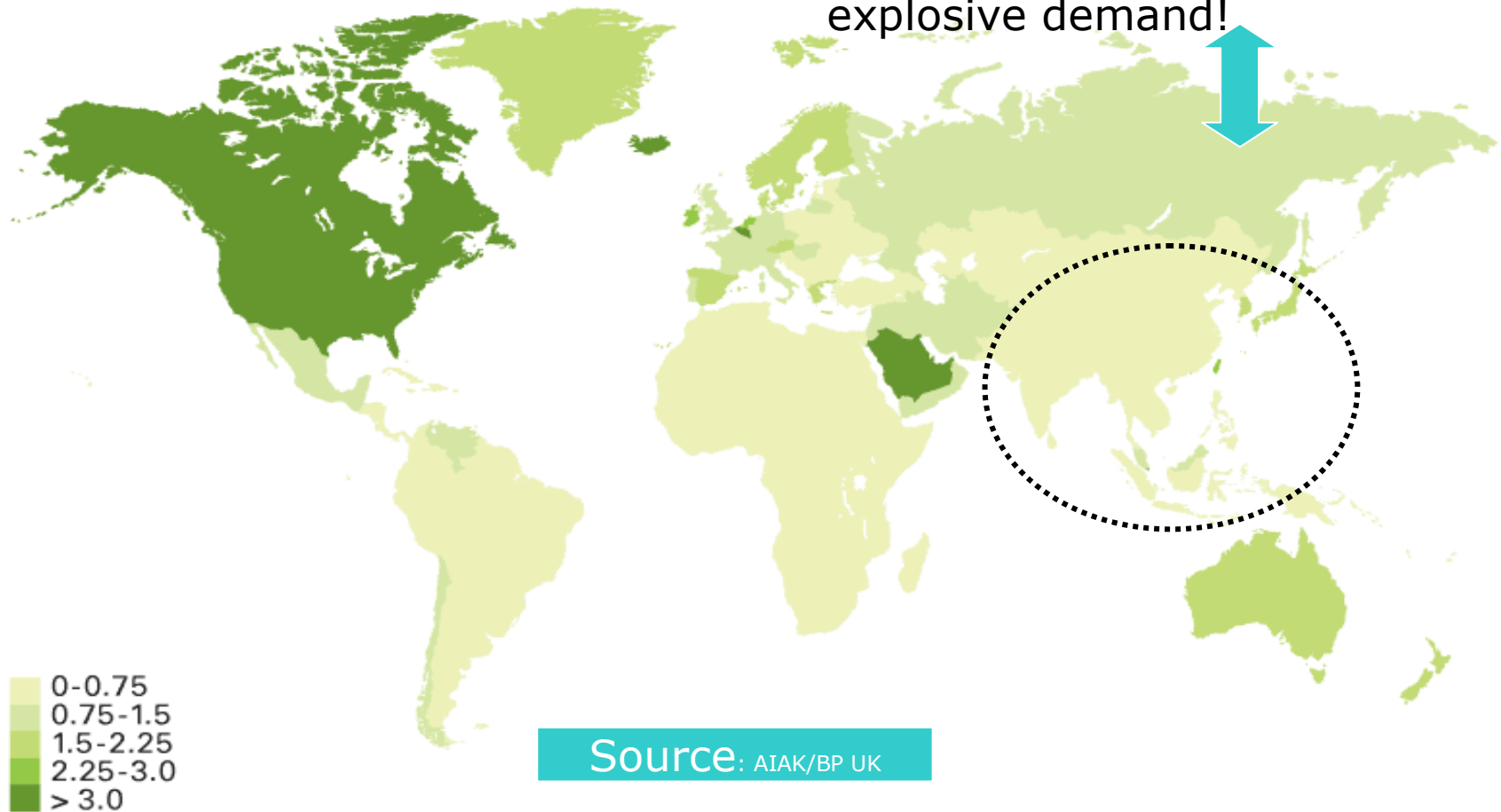
**SOURCE: AIAK/BP UK**



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# Oil consumption per capita now & watch future growth explosive in Asia....!

Consumption per capita 2007  
Tonnes



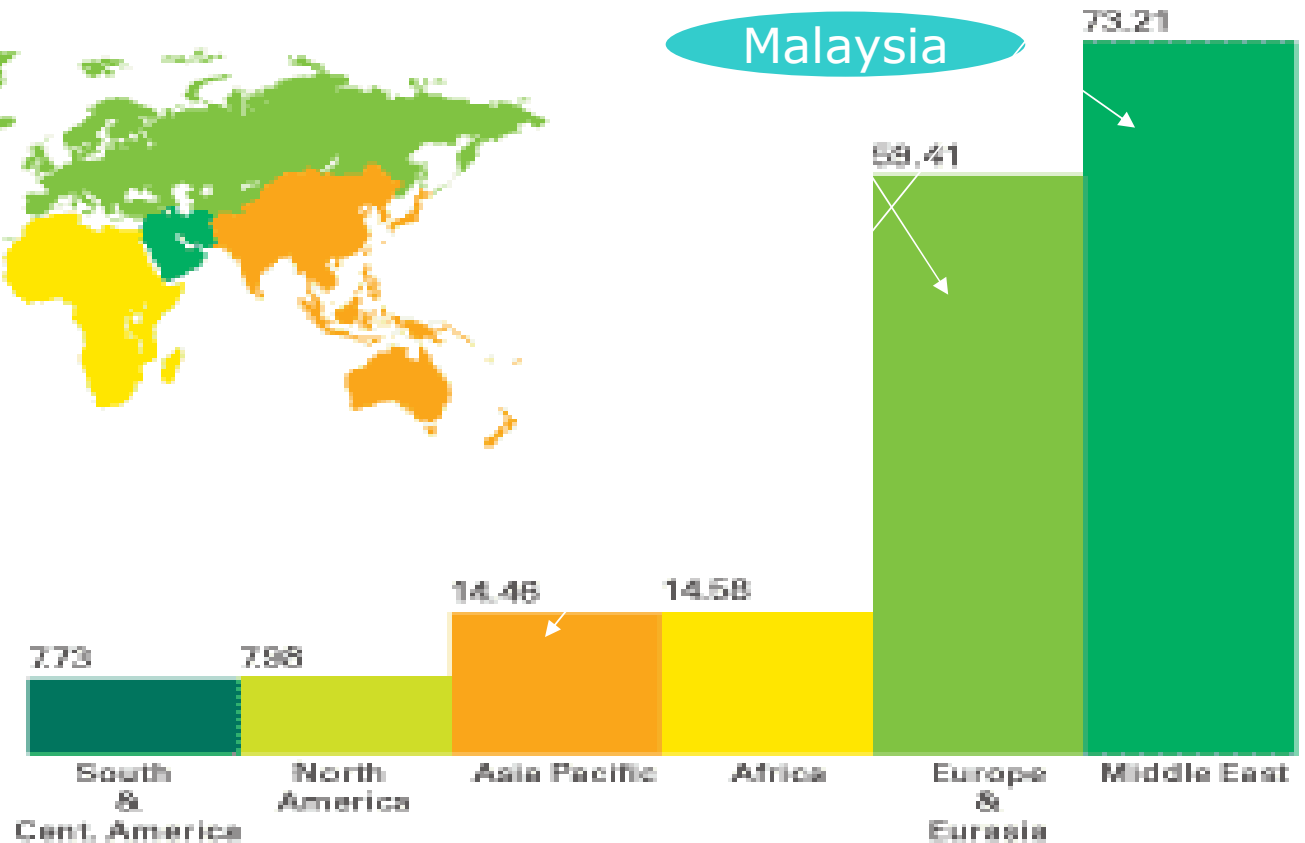
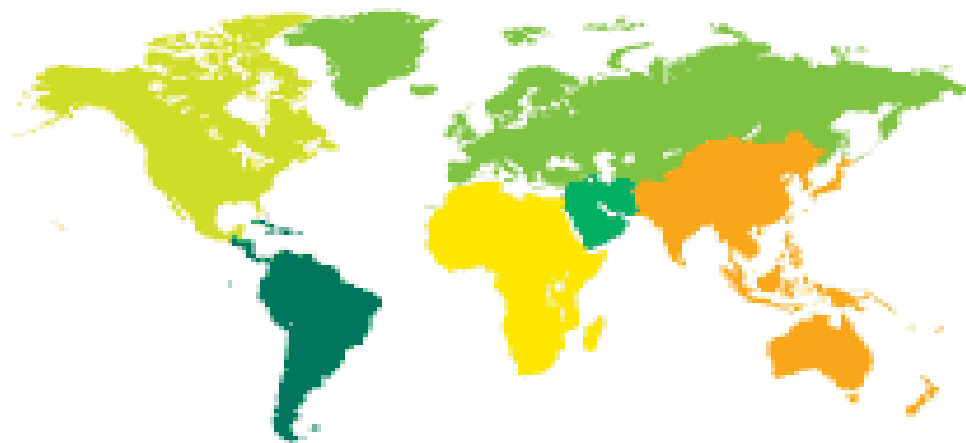
Source: AIAK/BP UK



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# Proved Natural Gas Reserve....another OPEC in making now....!!

Proved reserves at end 2007  
Trillion cubic metres



Source: AIAK/BP UK



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# US\$ 5 Trillion Markets.....to conquer.

Gulf poised for another era of the oil boom experienced over recent years and this trend, will continue to speed ahead, soon, after recovery of OECD's current recession, and I project that the Gulf producers, who stand to earn \$5 trillion in potential windfalls over the next 25 years--- even at my own modest forecast of US\$ 66/- per barrel, as an average for the next 5 years to come.

Where this money will go?

Mainly in 4 directions.

- Building of infra structure, in the GCC, development of oil, and gas up and down streams, and associated oil and gas services.
- Savings and boost to Investment reserves, both in the hands of Sovereign Wealth Funds and the investments private sector, both locally and abroad.
- Local high rate of consumption, the highest rate of consumption per capita in the world...which means trade and services opportunities for Malaysian and ASEAN exporters and service providers.
- Travel and Tourism, the biggest area of growth from the Middle East into Asia---yet to emerge. We have seen the tip of the iceberg so far.



# The largest Sovereign Wealth Funds US\$ Billions.... 2008

1. **\$875** Abu Dhabi Investment Authority UAE - Abu Dhabi
  2. **\$433** SAMA Foreign Holdings, Saudi Arabia
  3. **\$330** Government of Singapore Investment, Singapore
  4. **\$311.6** SAFE Investment Company China
  5. **\$301** The Government Pension Fund – Global Norway
  6. **\$264** Kuwait Investment Authority Kuwait
  7. **\$200** China Investment Corporation China
  8. **\$180** Hong Kong Monetary Authority Investment
  9. **\$134** Temasek Holdings Singapore
  10. **\$82** Investment Corporation of Dubai UAE – Dubai
  11. **\$76.4** National Wealth Fund Russia
  12. **\$74** National Social Security Fund China
  13. **\$30** Brunei Investment Agency Brunei
  - 22: **\$29** Strategic Investment Fund France
- 
- 23: \$25.7**      **Khazanah Nasional**      **Malaysia**

Source: AIAK/ SWF News 2008



# How Middle East View Malaysia? Malaysia is the winner. WHY?

- Longest serving democratically elected government with English Common & Commercial Law...
- Advanced moderate, developed, Muslim Country, with multi cultural, multi lingual, multi racial harmonious society, bend on peaceful progress and development.
- Best Muslim country, in the entire OIC space, a Model for other Muslim nations in Asia and Africa, and even parts of Europe.
- Malaysia, is an Oasis of peace and prosperity in a sea of turmoil, conflicts, civil wars, in most part of the Middle East...mostly brought about by Foreign colonial powers.
- Effective Central Bank & Securities Commission Regulators
- State of Art Banking System incorporating best Anglo-American practices
- Malaysia keep it this way....please...and advance this model further!



# ASEAN TRADE WITH GCC MUST GROW.....!!!

- **ASEAN Secretary-General Dr Surin Pitsuwan said,**

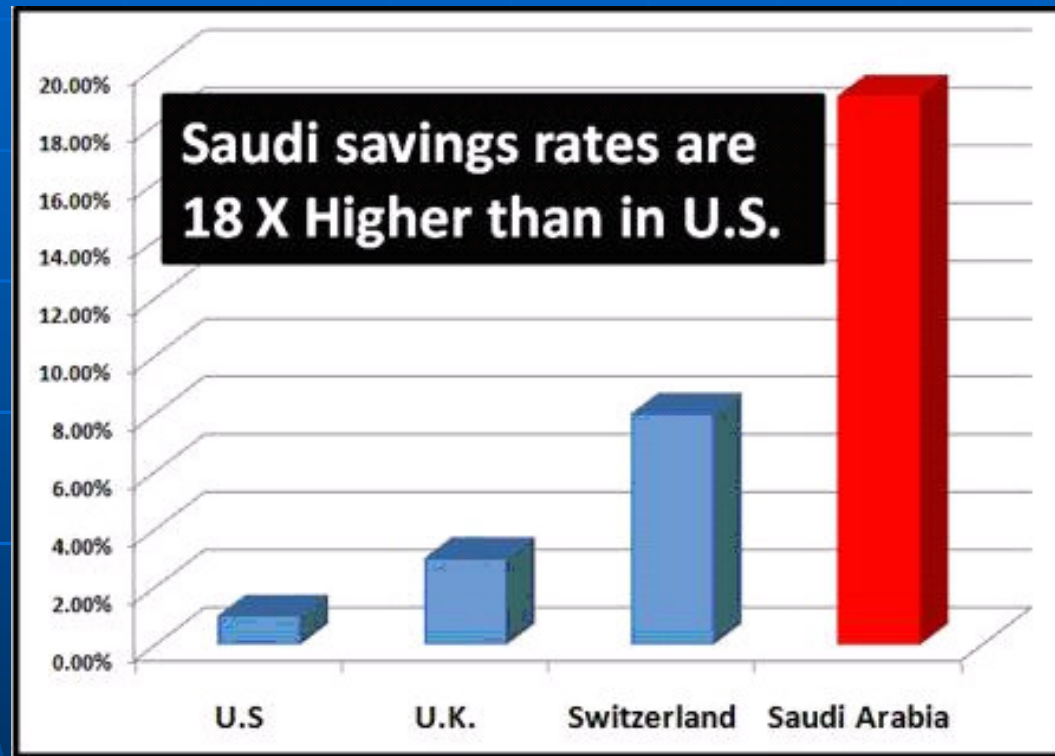
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- *"The increasing volume of trade between the two regions has been impressive, from US\$18.3 billion in 2002 to US\$57.1 billion in 2006. Total trade in the span of five years reached US\$160.1 billion, representing a 213% growth." (SOURCE: Bernama)-----*

- **THUS: Where Oil revenue or surpluses used for??**
- **Consume (Trade), built Infrs (Contracting) and Sovereign Funds (Investments & Finance) real chance for Malaysia & ASEAN companies....2009 & beyond...**



# Supporting Factors: Saudi Savings Rates



Source: Q1 Publishing



# Arab Interest in Malaysian Islamic Banking

- Malaysia is unique in Asia. Operating an effectively regulated dual banking structure, with state-of-the-art Western banks working harmoniously with a complementary Islamic Banking system and infrastructure.
- In the 1970's, first ground in Arab banking involvement in Malaysia was broken by Hussain Najadi when he founded the Arab-Malaysian Bank with Middle East investors (Now AmBank Group, a local Malaysian anchor bank).
- Two full-fledged Islamic banks in Malaysia, Bank Islam and Bank Muamalat.
- Other recent entry of major Arab financial institutions into Malaysia: Kuwait Finance House, Al-Rajhi Bank, Asian Finance Bank and Unicorn Investment Bank.



Arab & Islamic Finance  
creates a new  
Land Mark in Kuala Lumpur----- 2008  
Financed by Kuwait Finance House (KFH)



## **Finally: 5 Steps: needed to forge better link with Arab Gulf Oil nations.....**

- 1. Expand and facilitate better the establishment of Islamic banks in Malaysia. Cut the red tape in government departments.**
- 2. Expand Trade with the Middle East-- a must.**
- 3. Government Guarantee for Malaysian contractors to undertake Infra projects in MENA region, Asia & Africa.**
- 4. Expand, merge and marry Malaysian MNC's with that of oil producing Middle East.**
- 5. Create jobs, export of materials, services, contracting and joint investments in ASEAN emerging markets with GCC investors.**





**- THANK YOU -**

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