

STRETCH

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Malaysian Rubber Export Promotion Council

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Sharing a UNIQUE SLEEP EXPERIENCE with the WORLD



Dream Kingdom

The term 'quality' has taken on many definitions, and it is subjective as to which is more appropriate for a particular situation. However, it is undeniable that quality in a product or service is a crucial factor to surviving in business. The perception of better quality has probably led to the Japanese chipping away at the dominance of erstwhile American companies in the US automotive industry, and quality in this particular instance may be a combination of reliability, value-for-money, and perception of continuous improvement in Japanese motor vehicles. Basically, quality should determine what is it that a customer wants, and providing him that which delights and gives him a good feeling. Remember also that customer needs are not static; they will continue to demand for more and better quality, and will not hesitate to take their business elsewhere if they are not satisfied.

Different customers may have different perceptions of the quality they want. What is important is for your product to give your customers the feeling of satisfactory consistent quality. Once that is achieved, they would be back for more. The number of certificates attesting to quality of your products will not carry much weight if the customer does not have a 'good' feeling about the product, and this perception needs to be instilled in the customers' memory. Complacency should not set in once this has been achieved, but a continuous improvement process in quality be implemented in your operations to keep ahead of the competition.

Malaysia has long been the world's largest supplier of a number of natural rubber latex products, and would have not been able to retain this position if not for the excellent quality these products offered. Likewise, we are seeking a bigger market for other rubber products, and there is thus the need to demonstrate that these are offered with equally good and consistent quality. Business success is not all about continuous growth or expansion. It is far more important to keep surviving under any economic conditions, and this can only be achieved as long as you fill a customer need, and the quality of your products will play a crucial role in this aspect. Collectively, we want the rest of the world to recognize and remember that for quality rubber products, they need look no further than Malaysia, and to identify with "Made in Malaysia – Your Assurance of Quality Rubber Products".



CEO of MREPC Dato' Teo Suat Cheng

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Russia ended 2008 with its 10th straight year of growth, averaging 7% annually since the financial crisis of 1998. Over the last six years, fixed capital investment growth and personal income growth have averaged above 10%, but both grew at slower rates in 2008. Table 1 illustrates that this rather robust overall economic performance has been fuelled by export-oriented sectors. The high oil and gas prices contributed to a rapid increase in exports of natural resources, leading to surpluses in trade and current account.

In 2008, Russia's GDP grew an estimated 5.6%, led by non-tradable services and goods for the domestic market, as opposed to oil or mineral extractions and exports. The economy slowed significantly in the second half of the year due to the global financial crisis and a steep fall in the price of oil. Oil export earnings had allowed Russia to increase its foreign reserves, the world's third largest, from US\$28 billion in 2000 to US\$598 billion in August 2008. However, a 70% drop in the price of oil since mid-July 2008 and the Central Bank of Russia's intervention to defend the Ruble during the last quarter of 2008 and first quarter of 2009, reduced reserves to US\$388 billion as of 27 March 2009.

In an effort to support its financial system and the real estate sector, the government had undertaken various measures, including loans and other methods of state support for banks and real estate sector of the country's economy. The Russian government initiated a rescue plan of over US\$300 billion designed to increase liquidity in the financial sector, to help companies refinance

Table 1: Basic Economic Indicators of the Russian Federation

(1998 - 2008, per balance of payments methodology)

	1998	1999	2001	2003	2005	2006	2007	2008
Real GDP growth	-5.3	6.3	5.1	7.3	6.4	7.4	8.1	5.6
Gross Fixed Capital Formation growth	-12.4	6.3	10.0	12.5	10.9	16.7	21.1	9.1
CPI Inflation (Dec./Dec.)	84.5	36.6	18.6	12.0	10.9	9.0	11.9	13.3
Unemployment (ILO-type measure, end year, percentage of labour force)	13.2	12.4	8.7	8.6	7.7	7.3	6.3	6.2
Exports of Goods (US\$ billion)	74.4	75.6	101.9	135.9	243.8	303.6	354.4	471.8
Imports of Goods (US\$ billion)	58.0	39.5	53.8	76.1	125.4	164.3	223.5	292.0
Current Account (US\$ billion)	0.2	24.6	33.9	35.9	84.4	94.3	76.2	98.9
as % of GDP	0.1	12.6	11.1	8.3	11.0	9.7	5.9	5.6
Budget Balance (Federal government, % of GDP)	-5.3	-0.5	3.1	1.7	7.5	8.4	6.1	4.0
CBR Gross FX-Reserves (US\$ billion, end of period)	12.2	12.6	36.6	76.9	182.3	303.0	478.8	427.1

Sources: OECD, MED of Russia, MoF of Russia, Central Bank of Russia (CBR)

foreign debt and to support the stock market. The government also unveiled a US\$20 billion tax cut plan and other fiscal supports for the public and relevant industries.

The trade and investment policy in Russia has become substantially more open and liberalized over the past few years. Many factors have contributed to this favourable development. The most recent approach by Russia to liberalize its trade and investment policy can be characterized by the country's three main activities:

- ❖ negotiations for accession into the WTO;
- ❖ free trade regime with CIS (Commonwealth of Independent States) countries and members of the Eurasian Economic Community; and
- ❖ voluntary liberalization and facilitation within the framework of APEC.

The Russian government has adopted a series of new legislations and modified old ones to substantially reduce tariffs and simplify the structure of tariffs and customs procedures in several stages. The average applied import tariff in Russia in 2007 was 11%. Russia's intention is to fulfil WTO requirements upon accession. For that, Russian legislation had been brought into compliance with the WTO rules in 2007. As a result, administrative procedures and policies in many areas have become more transparent, predictable, corresponding to the international rules and less burdensome for economic operators. This included changes in sanitary and phytosanitary control, technical regulation, customs procedures, safeguards measures and intellectual property rights.

Population, million	141.1
Population growth, %	-0.5
Life expectancy, female	73.9
Life expectancy, male	61.4
GDP, US\$ million	1674
GDP growth, %	5.6
GNI Atlas, US\$ million	1371
Inflation, %	14.1
FDI, % of GDP	1.1
Unemployment, %	6.3
Time to start business, days	29
Internet users, per 100 people	21

Russia's 2008 trade and investment relations reflect the country's traditionally strong ties with the European Union (EU) and the CIS countries. As for individual countries, Germany is the country's largest trading partner, followed by the Netherlands, China, Italy and Ukraine. Japan and the United States are ranked 8th and 9th respectively.

Despite Russia's recent entry into the international investment scene, it has become an important player, ranking among the 25 largest FDI recipients worldwide since 2006. In relative terms, i.e. FDI per head and as a share of domestic investment, Russia outperformed China in 2006 and 2007. According to 2007 and 2008 data, Russia's international investment inflows continued to be higher than the amounts received by Brazil and India but still considerably below China's performance. Table 2 illustrates that Russia's FDI is also dominated by EU and CIS countries.

Among ASEAN countries, Malaysia is one of Russia's largest trading partners. For the past five years, Russia-Malaysia total trade has increased by 4.5 times, from US\$538 million in 2004 to US\$2442 million in 2008 (Table 3).

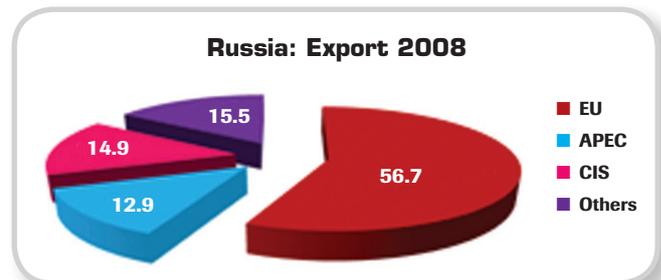
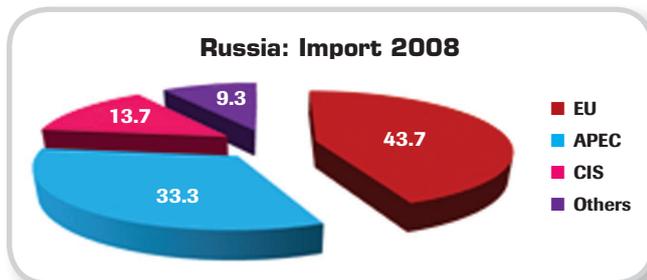


Table 2: Russia's FDI: Geographical structure, per cent (2007)

Country	FDI Inward Stock	FDI Outward Stock
Total, of which:	100	100
Cyprus	34.4	13.5
Netherlands	34.2	51.9
Luxembourg	0.7	-
United Kingdom	3.3	4.7
Germany	4.4	1.9
United States	3.5	8.1
Ireland	0.4	-
France	1.5	-
Switzerland	1.6	0.6
Virgin Islands	2.8	0.3
Austria	-	0.0
Ukraine	-	0.9
Belarus	-	4.7
Other countries	13.2	13.4

Source: Federal Service of State Statistics (RosStat), 2008

Major export products from Russia to Malaysia are aircraft and spare parts for aircraft (46%), fertilizers (34%), **synthetic rubber (5%)**, steel and steel products (5%), machinery and equipment (3%), and paper (3%). Russia's imports from Malaysia include electrical and electronics products (41%), vegetable oils and products based on vegetable oils (29%), machinery and equipment (12%), cocoa and cocoa products (4%) and **natural rubber and latex (4%)**.

Issues and challenges in exporting to Russia, among others, include language barrier, rigid financial and credit system, cost of freight, customs procedures that differ according to ports and state lines, and identification of valid buyers/agents.

Aside from being a huge market on its own, Russia is also the gateway to the market in CIS countries and neighbouring EU countries. The most recommended method of entering the Russian market is to participate in relevant fairs in Russia and to appoint distributing agents. Both MATRADE and the Malaysian Embassy in Russia are able to assist potential Malaysian exporters to the Russian market.

Table 3: Bilateral trade figures between Russia and Malaysia for the last five years (in US\$ million)

	2004	2005	2006	2007	2008
Total trade	537.6	822.9	1133.9	1902.9	2441.5
Russian exports	114.3	150.1	239.4	440.1	471.1
Russian imports	423.3	672.8	894.5	1462.8	1970.4

Source: Russian customs statistics (2004 – 2008)

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3. MATRADE Office (Russia)

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En. Khairul Nizam Moonier

Marketing Officers:

Ms. Anna Gennadievna Annenko
Mr. Dmitri Anatoljevich Chtchitthenko

Note: Information extracted from presentations during MATRADE's seminar on "Doing Business in Russia", 9 April 2009.

(Article credit: R. Krishnasamy and Nawal Ali, Industry Relations and Public Affairs Division, MREPC)

Ease of...	Doing Business 2009 rank	Doing Business 2008 rank	Change in rank
Doing Business	120	112	-8
Starting a Business	65	52	-13
Dealing with Construction Permits	180	180	0
Employing Workers	101	100	-1
Registering Property	49	46	-3
Getting Credit	109	102	-7
Protecting Investors	88	84	-4
Paying Taxes	134	136	+2
Trading Across Borders	161	162	+1
Enforcing Contracts	18	18	0
Closing a Business	89	83	-6

Source: World Bank

Benefits of Using Crumb Rubber-modified Bitumen Technology for Road and Highway Construction

Q asphalt is one of the oldest engineering materials; naturally-occurring asphalt has been used since ancient times for building and paving blocks, for waterproofing of ships and for other purposes. Because of its limited availability, only a few roads were constructed with natural asphalt before 1900. Production of bitumen from crude oil in the early 1900s has sparked renewed interest in the use of bituminous materials for road construction.

Traffic volume and axle loads have dramatically increased since these early 1900s, when bitumen was first used on a commercial scale for highway construction. In response to the need for better performing bituminous materials for modern highway construction, high quality binders, improved asphalt mix design, and more advanced methods of testing and analysis were developed. High performance binders currently used include multi-grade bitumen and bitumen modified with polymers and/or crumb rubber (usually from used tyres). The addition of crumb rubber (CR) improves important rheological properties and performance characteristics of asphalt binders and mixtures. Primary control parameters for improving rheological properties of CR-modified binder are base bitumen, CR composition, dosage and particle size, and blending operation (blending equipment, blending temperature and time). A proper combination of these variables allows producing CR-modified bituminous binder that improves specific as well as general aspects of pavement performance.

The use of a good quality bituminous binder contributes significantly to reducing several types of pavement distress, but it is not a substitute for inadequate pavement design, poor asphalt mix composition, and sub-standard pavement construction. To obtain durable and safe asphalt pavements, aspects of pavement design, of material selection and specification, and pavement construction and quality control must be optimized.

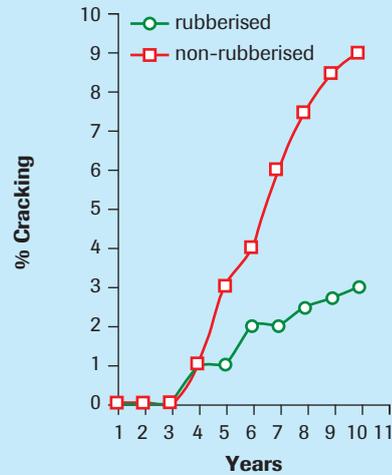
A sound understanding of the interdependence of pavement design, material usage, construction, and performance monitoring is the key to safe and durable pavement.

The benefits of using CR-modified bitumen (CRMB) may be summarized as follow:

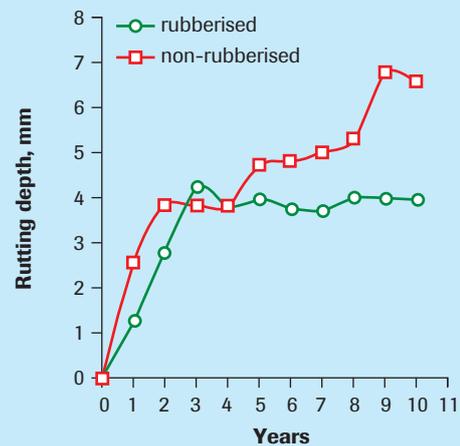
- ✓ Propensity to rutting is reduced because CR-modified bituminous binder is much more viscous than unmodified binder; this increases substantially an asphalt mixture's initial resistance to deformation, and decreases the slope of permanent strain versus number of load cycles. This performance improvement has been proven in wheel tracking tests, in controlled road test sections, and in large scale highway projects.
- ✓ Resistance to surface cracking and reflective cracking is the most widely reported benefit of using CR as asphalt modifier. Because of the significant amount of carbon black and other anti-oxidants contained in CR, aging of CR-modified bitumen is reduced when compared to unmodified bitumen, thus making the wearing course less susceptible to cracking. Also, failure strain of CRMB is much larger than that of unmodified bitumen, offering more resistance to crack initiation and crack propagation. The effectiveness in delaying cracking is so pronounced that several states in the USA have developed and implemented equivalent thickness charts, which allow reducing substantially the thickness of gap-graded CR-modified asphalt overlay when compared to traditional unmodified asphalt overlay.
- ✓ Long-term skid resistance of CR-modified asphalt wearing course is also improved. Initial skid resistance is primarily a function of micro-texture (determined by aggregate type and aggregate surface texture)

and by macro-texture (determined primarily by aggregate gradation). Micro-texture may decrease over time as a result of polishing of the aggregate surface that is exposed to the abrasive effect of accelerating, decelerating traffic. Macro-texture of a pavement decreases because of flushing and other plastic flow phenomena of asphalt wearing course exposed to high temperatures and the kneading action of tyres. Plastic deformation of asphalt mix is reduced when CRMB is used, because the higher binder and mixture viscosity offers more resistance to this type of shear flow than does less viscous unmodified bitumen. Reduced plastic deformation at the pavement surface maintains macro-texture and good skid resistance over long periods of time.

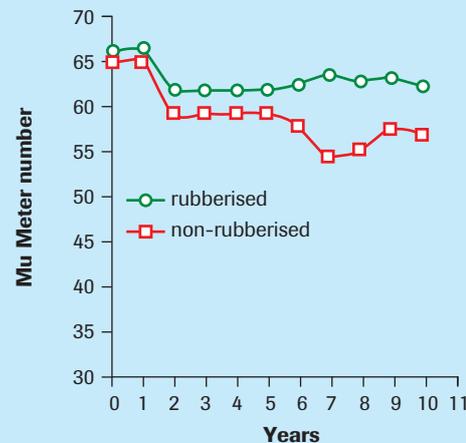
- ✓ The environment benefits are obvious as in many countries the safe disposal of used tyres and buffings from the tyre retreading industry has become a significant problem. For example in the USA alone, approximately 300 million pieces of used tyre are discarded every year. The disposal quantities in other rapidly developing economies like India and China are expected to be several orders of magnitude higher in the future. Thus there are large quantities of this type of waste generated and the biodegradability of vulcanized rubber takes too long to be of practical significance. There exists the added hazard that tyre waste may be accidentally ignited; the resulting fire releases environmentally hazardous fumes and may cause significant visibility problems in the region of the burning waste. It is, therefore, important to develop and implement strategies for recycling and safe re-use of waste from natural and synthetic rubber industries.
- ✓ Road safety is enhanced by the use of porous asphalt (PA) which necessitates the use of modified bitumen with CR or more expensive and less environment friendly synthetic polymers. The quick drainability of surface water through the PA layer reduces hazards like water spray and aquaplaning during rainy weather and there is noticeable improvement in night time visibility of roads and road markings.
- ✓ There is also a significant reduction in traffic noise levels by the use of porous asphalt which is important where roads and highways run through highly populated urban regions, making it user friendly for those living adjacent to high trafficked roads and highways.



CRMB reduces cracking of asphalt pavements



CRMB improves long-term rutting resistance



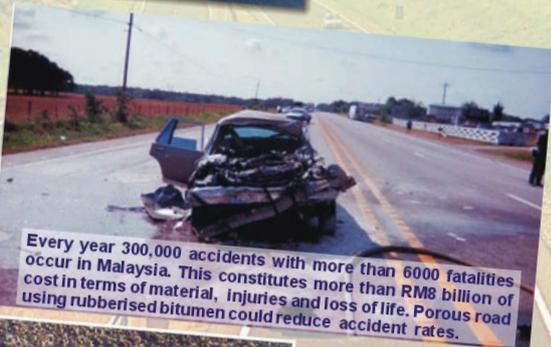
CRMB maintains skid resistance better than unmodified bitumen

Source of charts: Way, G.B. - 'Flagstaff I-40 Asphalt Rubber Overlay Project - Ten years of success'. Proc. of the Asphalt Rubber 2000 Conference, Vilamoura, Portugal, 2000.

RUBBERISED BITUMEN



A worldwide problem with the conventional bituminous road is rapid ageing within two years resulting in cracking, rutting and loss in skid resistance. Rubberised bitumen could effectively rectify premature failure of road.



Every year 300,000 accidents with more than 6000 fatalities occur in Malaysia. This constitutes more than RM8 billion of cost in terms of material, injuries and loss of life. Porous road using rubberised bitumen could reduce accident rates.



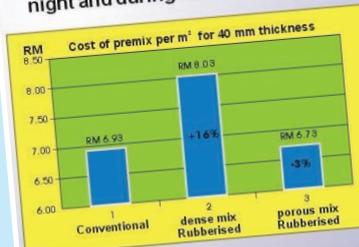
Discarded used tires pose a very serious environmental hazard and health problem. They provide ideal breeding grounds for mosquitoes and they are not biodegradable. Every year, Malaysians dispose about 10 million pieces of tires which could be converted into crumb and used in rubberised bitumen mixes for road applications.

RUBBERISED BITUMEN

normal surface
poor visibility

porous surface
excellent visibility

Porous roads worldwide show 30% reduction in accident rates especially in wet weather condition. Porous road improves visibility at night and during wet weather. It provides excellent skid resistance.



Sacramento Country	1999	7.7-5.1 dB
Orange Country	1992	3-5 dB
Los Angeles Country	1991	2-5 dB

Recent noise study in California shows significant noise reduction when dense mix is substituted with porous.

Porous mix is designed to have about 20% porosity resulting in the use of less material. Subsequently there is no increase in cost.

Porous road significantly reduces tire/pavement noise by up to 9 dB (a reduction in traffic noise by 50%). 3 dB reduction is equivalent to doubling the distance or 50% reduction in traffic volume or 25% reduction in traffic speed.



Rubberised Bitumen

(Article credit: Dr. Kamarudin Ab. Malek – Dr. Kamarudin is Head of the Engineering and Product Design Unit, Malaysian Rubber Board)

Major Destinations of Malaysia's Rubber Product Exports (RM'000)

Country	January–June 2009	January–June 2008	% Change	% Share (2009)
EU-27	1,473,493	1,703,834	-13.5	29.1
USA	1,381,124	1,318,953	4.7	27.3
ASEAN	408,657	452,334	-9.7	8.1
Japan	277,223	277,540	-0.1	5.5
China, P.R.	182,172	134,383	35.6	3.6
Australia	146,741	173,290	-15.3	2.9
Hong Kong, SAR	126,392	193,625	-34.7	2.5
Canada	86,212	87,354	-1.3	1.7
Brazil	142,543	177,290	-19.6	2.8
UAE	55,659	59,119	-5.9	1.1
South Korea	55,361	68,304	-18.9	1.1
Turkey	57,270	59,392	-3.6	1.1
Subtotal	4,392,847	4,705,418	-6.6	86.8
World Total	5,056,142	5,376,436	-6.0	100.0

Source: Department of Statistics, Malaysia

Malaysia's Exports and Imports of Rubber Products (RM'000)

	Exports		Imports	
	2009	2008	2009	2008
January	876,425	925,775	200,291	249,324
February	795,507	882,574	164,926	192,571
March	873,637	933,783	218,471	263,838
April	846,887	838,235	216,392	196,797
May	841,560	930,708	212,195	225,534
June	822,125	865,358	225,269	244,844
January–June	5,056,142	5,376,436	1,237,548	1,372,910
% Change (January–June) 09/08	-6.0		-9.9	

Source: Department of Statistics, Malaysia



Getha's plant in Selangor

If you are seeking one who is absolutely passionate about the Malaysian 'treasure', Natural Rubber Latex (NRL) that is, look no further than the golden couple, the Tans of Getha Bedding and Weifong Industries; Vincent, the CEO of Getha Bedding and managing director of Weifong, and Mei Yong, the executive director of Getha Bedding and general manager of Weifong. Their incredible journey of believing in and establishing a successful Malaysian brand, all within the span of just a few years, should serve as an example for all wannabe entrepreneurs who dare to face the challenge when the going gets tough.

Located within the municipality of Kajang in the Malaysian state of Selangor is the 10,000 sq. m plant of Getha Bedding, which produces bedding products with the utmost level of quality and comfort. The success story of the Tans is an inspiring tale of vision, creativity, innovation, perseverance and self-belief. Armed with a degree in business economics from the USA, Vincent Tan decided as far back as 1985 to switch from spring mattresses and polyurethane foam, the main products of the family enterprise, to NRL, of which Malaysia produces the best quality, for his bedding products, particularly mattresses and pillows. He also correctly foresaw the gradual decline in the demand for cushions, then also a part of the family line of products, with the growing popularity of sofas. But most importantly, Tan wanted to take advantage of a superior natural material the country

BEDDING FIT

was producing in the form of NRL, and which he regards as a national treasure and wishes to spread this message worldwide. NRL is not only environmentally-friendly but is also a sustainable and renewable resource. He knew that branding was the only sure way of establishing his products in the international marketplace and embarked on an aggressive mission to achieve this. His task was made much easier with Mei Yong sharing his passion and vision, and such concerted efforts have taken them, and their Malaysian brand, "Getha", to its international standing today. Brand audits in recent times gave the impression that the brand, although just over five years, has been around longer than that.

Tan decided at the outset not only were they going to be ambassadors for Malaysian NRL by manufacturing products which would be of the choicest quality available in the bedding industry, they wanted their customers to share a unique sleep experience with their products. He wanted to market the concept of the Malaysian touch and comfort, matching, if not exceeding, other bedding products available. Getha's emphasis would be on comfort level, rather than on types of mattress. One of Tan's wishes is to contribute to a memorable experience by tourists and visitors to Malaysia, and what better way than to ensure they remember and cherish the encounter when they have the most comfortable sleep on Getha's beddings during their stay in Malaysia. He has successfully convinced some high-end hotels in Malaysia of this concept and has projects to furnish several five-star establishments with Getha beddings. He is also working hand-in-hand with the Ministry of Tourism to instil this indelible Malaysian experience in the tourist's memory, and thus contribute to an increase in tourism for the country.

FOR A KING

Getha Bedding uses the Dunlop manufacturing process for its foam mattress and other products, and all its bedding products are 100% NRL-based, including those with springs. Much of the technology otherwise is home-grown. For instance, the first foaming machine purchased from Europe was an ice-cream making machine, and required much innovation to be suitably modified for the purpose of making latex foam. Fortunately, one of Getha's strengths lies in its ability to recruit and retain skill craftsmen and artisans, and to this day, its moulds, for example, are built and modified in-house. Inspired by the Tans' leadership, Getha's human resource is highly motivated, and their strong belief in the company's mission has contributed to its current standing in the bedding business. The Tans personally test their bedding products, and will not launch any which fails to meet their approval. It is therefore not surprising that, for such a relatively young company, it has been bestowed with a number of the country's industry awards, including the Best Brand Award for 2004/2005, a testament of its contribution to the country's economy. The quality of its products has been



The Tans, Vincent and Mei Yong, with their 'Most Promising Brand' Award

consistently verified by reputable certification bodies in Europe. Giving equal emphasis to health as to comfort, Getha was the first Malaysian company to incorporate the technology of nano silver (as an anti-bacterial and anti-fungal agent) in its beddings – a feature not many companies in the business can claim. To maintain its position, R&D for better products is very much part of its corporate philosophy. A very nice touch and a unique feature is the incorporation of a miniature padlock on its bedding packaging, so that the customer receives his/her order in its original prime condition.



Getha at an International Trade Fair



The unique padlocked Getha mattress

Getha aims to please and delight, and has a mattress for everyone. Its Sleep Therapy Centres provides more than just a choice of products – it is a complete centre providing consultation to assist customers get the best bedding requirements for a most restful and blissful slumber, as a good night’s sleep is the ideal therapy for better health and is literally worth a king’s ransom. Choice is also made easy in just three categories of mattress: soft, medium and firm. For those who covet the ultimate comfort and luxury in sleep, Getha’s answer is the top-of-the range ‘Dream Kingdom’ bedding set, which comes with a hefty price tag close to RM30,000. For this privilege, one is assured of the highest level of comfort, the mattress adjusting to the body’s contour and every of its movements, providing a sleep experience one can only literally dream of. Tan says: “Springs may go up and down, but latex stretches in all directions, giving superior support and comfort to the body.” Tan believes that no more than three mattress manufacturers worldwide are able to match the technology and attributes of this product, which of course includes the use of anti-static and nano silver technology.



Quality assurance testing in-house

One would have thought that the Tans would look back with great satisfaction with their exemplary achievements to date, and take pride that, despite the brand Getha being introduced only relatively recently, it has managed to achieve such a level of recognition locally and abroad. But no, they are more determined to push the frontier and produce even more innovative merchandise. The company currently exports to more than 50 countries. Its business is divided equally between the local and international sectors. Getha has been so convincing in promoting its mission for improving one’s quality of daily life with its bedding products that it has contracts to supply schools, hostels, universities and other hospitality establishments. The company is currently on an expansion exercise as orders for its products keep rising. Indeed, if there is anyone who knows the beauty of sleep more than others, it has to be the Tans of Getha Bedding.



Mould filling with NRL foam



For more information on Getha Bedding and its range of products, visit its website at www.getha.com.my



The MALAYSIAN BRAND Mark

MALAYSIAN BRAND CERTIFICATION:

YOUR PASSPORT TO GLOBAL ACCEPTANCE

The Small and Medium Industry Development Corporation (SMIDEC) and SIRIM QAS International have jointly developed the Malaysian Brand Certification Scheme to promote domestic and global recognition of Malaysian brands.



The National Mark is a certification system developed to boost competitiveness among small and medium enterprises (SMEs). A soft launch of the National Mark for the Malaysian Brand Certification by HRH The Crown Prince of Perak, Raja Nazrin Ibni Sultan Azlan Muhibbuddin Shah, was held on 2 March 2009 in conjunction with the Brand Entrepreneur Conference 2009.

Developed based on requirements accepted worldwide, the assessment criteria adopt a comprehensive and holistic approach that combine the following essential elements:

- Under this scheme, a certified company may use the Malaysian Brand mark – a symbol denoting the quality, excellence and distinction of the company's products and services – together with the company's own brand covered by the certification.
- Any company with brands registered in Malaysia, regardless of size, that wants to brand itself, its products or services, is eligible to apply. SMEs are eligible to apply for a matching grant from SMIDEC to cover the cost of certification.
- To acquire the 'Malaysian brand' mark, aside from owning a Registered Brand of Malaysian origin, companies also need to earn a minimum of a three-star rating under the SMIDEC's SME Competitive Rating for Enhancement (SCORE) Tool programme, an ISO 9001 or equivalent certification and relevant industry compliance such as the ISO/TS16949 for the automotive supply chain sector. An evaluation process along with auditing and monitoring will be managed by SIRIM QAS International Sdn. Bhd. Products that qualify will be given the right to use the National Mark for two years.

The Malaysian brand certification scheme offers five unique benefits:

- 1 For all qualified SMEs, 50% of the total cost of acquiring the MALAYSIAN BRAND Certification can be claimed under SMIDEC's matching Grant for Certification Management Systems.
- 2 Access to priority lane for the Brand Promotion Grant under MATRADE with relaxed entry regulations compared to current criteria.
- 3 Facilitate companies' access to on-going local and international trade promotion activities, and advertising and promotion [A&P] activities by MATRADE.
- 4 Special access passes to MICCI-SMIDEC mentoring programmes to facilitate qualifying SMEs to participate in the global marketplace directly or become suppliers to internationally diverse corporation.
- 5 Invitation to specific training opportunities organized by SMIDEC and its partners.

Comprehensive information on the certification scheme application process may be obtained by contacting the Management System Certification Department of SIRIM QAS International Sdn. Bhd. at 03-5544-6400 or email to scsmsc@sirim.my

(Article credit: Industry Relations and Public Affairs Division of MREPC)

Workshop on 'Achieving Managerial Effectiveness'

(28–29 April 2009)

A two-day workshop on 'Achieving Managerial Effectiveness' was organized by MREPC on 28 and 29 April 2009. The workshop was conducted by Mr. Lim Kheng Joo from Executive Essentials Sdn. Bhd. Mr. Lim has more than 30 years of experience in training and consultation in both public and private sectors. His areas of specialization are in competency and performance management. Thirty participants from the rubber product industry took part in the workshop.



Participants working on a 'RM2 exercise' from the module 'Influencing Others for Improvements'

The first day of the workshop covered modules relating to competency and performance, competency management model, Blue Ocean Thinking (BOT), tools for creating value innovation, influencing techniques, readiness for change assessment, resistance analysis, tactics to minimize resistance and tools for desired behavioural change.

The module *Achieving through Performance Measurement* which included topics such as Balanced Scorecard (BSC) model, strategy mapping, setting strategic goals and targets, and techniques in Key Performance Indicators (KPI) formulation was discussed on the second day. Participants were also exposed to corporate values and business ethics under the *Leading with Integrity* module.

Participants found the workshop thought-provoking and beneficial, especially for managers or soon-to-be managers who desire to acquire or refresh their knowledge in the relevant management tools and techniques vital towards effective management.

Participants also felt that exposure to the importance of leadership competencies would assist them understand their staff and peers better.

Briefing on a 'New Aqueous Washing Procedure for Natural Rubber Latex Products'

(7 May 2009)

Latex allergy is a much discussed topic in the medical world. At the onset, with widespread negative publicity from news media, healthcare publications and the internet, Malaysia has taken the necessary actions to stem the growing wave of misconceptions on the use of NR latex gloves and other NR latex products to safeguard Malaysia's position as the world's largest manufacturer and exporter of NR latex products.



Presentation by Budev

The briefing, conducted by Dr. Herman Feil of Budev Medical N.V., a Netherlands-based company, was to provide latex product manufacturers with information as well as the opportunity to evaluate and draw their own conclusions on the technology presented. Thirty-two participants, primarily from the glove sector, attended the briefing.

The Q&A session saw active participation from the participants. Questions relating to processes, investment costs, testing limitations, testing environments, scope of testing and many more were posed to the Budev representatives.

Certifications for Rubber Medical Devices Sector

(26 May 2009)

MREPC, in collaboration with Sirim QAS International Sdn. Bhd. (SQASI), organized a seminar on 'Certification for Rubber Medical Devices Sector' on 26 May 2009, which drew a total of 30 participants.

The speaker was Dr. Yap Chee Keong, Head of Chemical and Material Section of SQASI. Topics covered included:

- 👍 ISO 9001:2000/2008 - Quality Management Systems Requirement
- 👍 ISO 13485:2003 Medical Devices - Quality Management Systems - Requirements for Regulatory Purposes
- 👍 ISO 14001:2004 - Environmental Management Systems - Requirements with Guidance for Use, and
- 👍 SQASI's Management System Certification Scheme



Dr. Yap conducting the seminar

ISO 13485 is a standard specifying quality management system requirements for companies in the medical devices industry that design, develop, produce, install or service medical devices. The standard is aimed at harmonising quality management system requirements specified in national and regional regulations for medical devices, reducing conflicting and/or different demands on manufacturers. Certification to the standard will facilitate the export of medical devices to markets where regulatory requirements apply, such as Europe and the United States.

Dr. Yap explained that ISO 13485:2003 is based on ISO 9001:2000 (now ISO 9001:2008). However, it diverges from ISO 9001 in three key areas: customer satisfaction, continual improvement, and procedural documentation, which are excluded. He reminded participants that because of these exclusions, companies that conform to ISO 13485 cannot claim conformity to ISO 9001 unless their quality management system conforms to all the requirements of ISO 9001.

Energy Efficiency and Rubber Product Industry

(10 June 2009)

Energy drives the nation, its progress and aspirations. The industrial sector not only contributes to economic growth but fuels increases in energy demand, making it Malaysia's second largest energy consumer after transportation. Aside from the immense environmental problems derived from fossil fuel use, rising market prices for energy place a heavy burden on industry, government and consumers.

Energy efficiency (EE) has been recognized by industries worldwide as a cost-effective solution to the challenges of climate change and rising energy prices. In line with Malaysia's strategy to moderate trends in increased energy intensity, minimise wasteful practices and optimize energy use, MREPC organized a seminar entitled 'Energy Efficiency and Rubber Product Industry' on 10 June 2009. A total of 24 participants attended the event.

Three speakers presented papers at the event – Ms. Radin Diana Radin Ahmad from Pusat Tenaga Malaysia, Mr. Zaini Abdul Wahab from the Energy Commission and Mr. Graham Bennett from Tun Abdul Razak Research Centre (TARRC).

Clean Development Mechanism (CDM) presented by Ms. Radin Diana discussed the institutional framework and development of CDM in Malaysia. A result of the signing of the United Nations Framework Convention on Climate Change and the Kyoto Protocol, CDM is a project-based mechanism in which the project undertaken by a company must provide emission reductions "that are additional to any that would occur in the absence of the certified project activity".



Ms. Radin Diana with her presentation

CDM makes it possible to initiate projects which otherwise would not be financially viable due to its many different stakeholders. For Malaysia, the framework for CDM implementation is well in place with 34 energy projects successfully registered with CDM Energy Board.

The presentation by Mr. Zaini Abdul Wahab from the Energy Commission was on incentives for energy efficiency. The incentives allocated for EE were provided for in the 2009 Budget and is applicable for applications received until 31 December 2010. Companies applying for the incentives are required to implement the project within one (1) year from the date of incentive approval. The presentation highlighted, among others, the incentives' criteria, application procedures and technical guidelines for EE projects and EE products. Implementing agencies are MIDA as a one-stop centre for processing of application and the Energy Commission as the regulator to provide technical evaluation for EE projects and products.



Mr. Zaini with his presentation

Rapidly rising energy costs are a global concern. Currently, the Malaysian rubber manufacturing industry faces not only intense competition from low-cost economies but an alarming rise in materials and energy prices. Many companies complain about these but few have carried out even the most basic actions to reduce their energy consumption. With the above premise, Mr. Graham Bennett from TARRC rounded off the seminar with his presentation entitled *Towards Efficient Energy Use and Lean Manufacturing in the Rubber Industry*.

Mr. Bennett stated that in order to remain competitive, the industry must have effective energy and waste management and recycling systems in place in addition to good market knowledge, an awareness of technology and other support mechanisms such as the Malaysian

Rubber Board (MRB)'s A5 (general manufacturing assistance) project. Through efficient energy use and lean manufacturing, companies would be able to save a minimum of 30% on their energy bill.



Presentation by Mr. Bennett

Energy is not a fixed and uncontrollable cost. Proper management, maintenance, services and investments would result in better control of energy cost and improve a company's competitiveness. Mr. Bennett highlighted how and where some of the savings could be made – from efficient mixing, extrusion and moulding to recovering energy from exhaust steam and end-of-life products.

On lean manufacturing, he cautioned participants that it cannot be implemented overnight. Although implementation will take many years to get right, a company cannot ignore lean manufacturing if it is to survive profitably in the future. Companies should apply approaches that best meet its needs and means – from tools and techniques chosen, to the sequence in which they are implemented along with many other details which differ from factory to factory.

The key to success when implementing energy efficiency and lean manufacturing include a fundamental approach, systems thinking, leadership, a flair for planning and recognition of the practical limits on available resources. Most importantly, companies should take one step at a time and evaluate the outcome of each step before proceeding to the next.

The event concluded with an update from Mr. Bennett on quality and productivity improvements via the Malaysian Rubber Board's A6 (product development assistance) project. He briefly highlighted the incentive available from MREPC for companies that undertake and complete the MRB's A6 project.

Visit by Philippines Delegation

(26 May 2009)

MREPC hosted a trade and investment delegation from the Municipality of Cateel, Davao Oriental, Philippines, and representatives from the Embassy of Philippines on 26 May 2009.

The purpose of the visit by the delegation from the Philippines was to explore business partnership with Malaysian rubber industry players for rubber projects in the Municipality of Cateel. Five Malaysian rubber product industry players were present at the trade and investment session.



Meeting with the Philippines delegation

Aside from establishing contact with the municipality delegates and embassy personnel, the session was also an opportunity for industry players to strengthen their competitiveness through collaboration to overcome challenges in an ever-changing global environment. It was also a means for both parties to learn more about each other's core function, vision, mission and activities, as well as to see what can be done to enhance bilateral trade.

In 2008, Malaysia's total trade of rubber products with the Philippines was at RM121.5 million, an increase of 15.3% as compared to RM105.3 million in 2007. Philippines ranked 29th as a destination of Malaysia's export of rubber products in 2008.

The session provided an avenue for Malaysians and Filipinos to adopt a long-term perspective when developing and intensifying business relations that will be mutually beneficial to both countries.

Visit by Hong Kong Trade and Development Council

(5 March 2009)

Hong Kong was one of Malaysia's top ten trading partners for 2008. MREPC hosted a visit by the newly appointed Director (Malaysia) of Hong Kong Trade and Development Council (HKTDC), Ms. Hoh Jee Eng, on 5 March 2009.

HKTDC's main role is to develop Hong Kong as an information hub, a sourcing and business centre in Asia Pacific and the gateway to the Chinese mainland.

Trade and investment opportunities in Hong Kong, events organized by HKTDC, as well as services provided by HKTDC were highlighted in Ms. Hoh's presentation. She also touched on the Closer Economic Partnership Arrangement (CEPA) – a free trade agreement between China and Hong Kong – which grants easier access to the Chinese market for Hong Kong-made products, and Hong Kong-based service companies. Under CEPA, 1,407 categories of 'Made in Hong Kong' products will be exempted from tariffs when exported to the Chinese mainland and 28 Hong Kong-based service providers are entitled for reduced, financial and ownership restraints.



Dato' Teo, CEO of MREPC (left), welcoming the Hong Kong delegation

TRADE FAIR TIPS

Effective Trade Fair Display

Companies have only a matter of seconds to attract the attention of potential customers during a trade fair. A booth with a design and presentation that clearly and impressively communicates what the company is all about, the benefits it can deliver, its product image and quality and why it is the best choice to meet the target audience's needs, can provide a company with a competitive advantage at trade fairs.

However, without adequate advance planning, booth design can be a very costly affair for a company. It will seem like everywhere you turn there's another big fee for your displays, graphics, shipping, furniture rental, drayage, and so on.

The key to an effective booth design is to identify, during the conceptual stages, the single most important message you wish to communicate. If you are utilising the services of a booth design firm, work in tandem with them to ensure that they have a thorough understanding of your target audience, purpose for trade fair participation, brand positioning, product offering, competitive arena, unique benefits and most importantly, your budget.

While you know what is most effective to your own mind, it is also very important to study the general mentality of your target audience. Focus on what will catch the visitors' eye as much as you focus on an accurate portrayal of your specific message. By assessing what your potential customers want, their budget, product needs, and your competitors' strategies, you will gain a genuine edge.

It is also important to remember that visitors want to interact – not just be passive observers at trade fairs. When people leave a booth, they typically want to be able to say “Here's what I've learnt and it is

worth considering.” To enhance the effectiveness of your booth design, use other marketing strategies that appeal to your target audiences' sense of sight, touch, and sound.

To maximize the sense of sight, your graphics and images must be bold, colourful and serve as the focal point of your exhibit. Through imagery and minimal verbiage, they must convey your story and benefits in a way that makes you stand out from competitors.

There is no substitution for getting potential customers involved with your product. Providing opportunities to touch and experience your product will engage your visitors, make a positive impression, and facilitate your sales effectiveness.

Effective use of sound in your exhibit area can attract visitors and further your overall sales impact. Examples of sound utilisation in a booth include live demonstrations and media presentations. PowerPoint presentation or corporate video is an effective way to draw visitors' attention as it appeals to their visual and auditory senses.

The fundamental aspect to keep in mind when implementing sensory marketing strategies is to carefully craft your efforts to target potential buyers of your product – rather than simply drive a lot of booth traffic to visitors who will never become customers.

Location of a booth within a trade fair venue also plays a crucial role in determining booth design. A booth located in a high-traffic area might not require elaborate or fancy designs to attract visitors. Keeping your booth design simple – yet arresting – will still enable you to send a compelling message to your target audience.

Booth with simple designs could be enhanced through creative displays of products and peripheral items. Focus on the product and its benefits could be done through various ways. Arrangement – with larger items at the rear and smaller/shorter items in front of these – is one way while lighting such as the use of spotlight or coloured lights trained on the product is another. The products exhibited usually do not represent the full range of goods available from the company. Invest in stands that would allow for brochures to be displayed in a structured manner. Place promotional materials and giveaways near the back wall so that people have to enter your area, but make sure that they do not feel trapped.

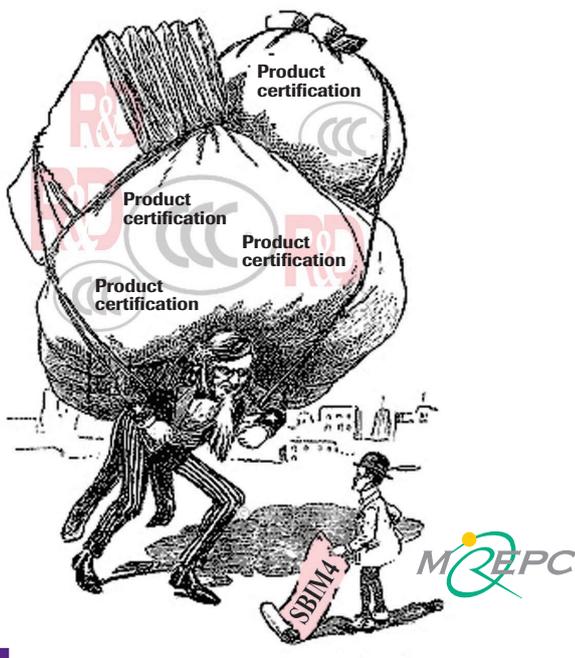
Trade fair booths must be built around your unique marketing message to be most effective in turning casual visitors into interested prospects. By fully realising and utilising a booth design, no mistake will be made about the distinct offerings of your

company, as well as your ability to provide for your potential customers. A unique booth design has the ability to influence the senses of visitors making your offerings all the more memorable. Custom signage, surfaces, displays, media, music, lighting and other booth components will set you apart from your surroundings and your competition.

REMEMBER

the first impression your booth makes on potential customers has an immediate effect on their purchase decisions.

(Article credit: R. Krishnasamy and Nawal Ali, Industry Relations and Public Affairs Division of MREPC)



Claim 50% of certification fee upon attaining product certification for the first time. Claims are available for each product certification obtained up to a maximum of RM30,000 per company

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