

GOCA APAC 2017

Kuala Lumpur, Malaysia





The purpose of the Global Offset and Countertrade Association (G.O.C.A.) is to promote trade and commerce between companies around the world and their foreign customers through a greater understanding of countertrade and offset.

Organize events to provide opportunity to network with industry experts, service providers, and senior government leaders and directors of Industrial Partnership programs from around the world.

<http://www.globaloffset.org>



What is GOCA APAC 2017? Why Malaysia?

- GOCA Asia Pacific Conference 2017
- The first conference in Asia in 30 years!
- Promotes and showcases offset & countertrade implementation for Asia Pacific Region
- Provides a platform to network and connect with offset authorities and industry players from all over the world
- Malaysia has implemented offset since 1987 which today is known as Industrial Collaboration Program (ICP)
- Malaysia is one of a few countries implementing offset with a management framework caters for defence and civil procurements



Benefits of joining GOCA APAC 2017

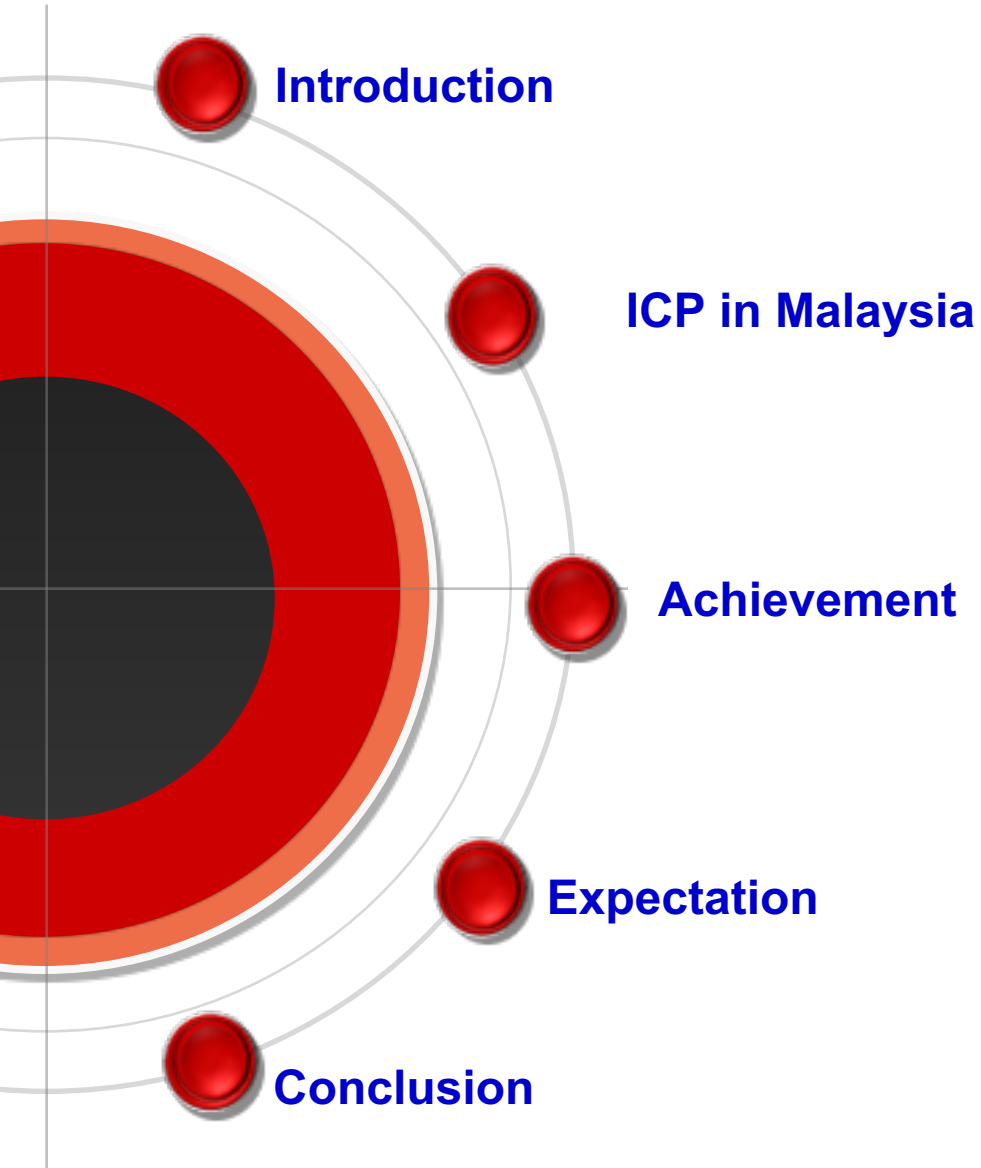
- Develop/extend networks with offset/ICP czars in the region
- Understand the mechanism of offset/ICP as a platform to support national economic development
- Aware and understand initiatives from other countries that leverage on offset/ICP in support of their local industry/economy development
- Aware of lessons learned in the offset/ICP implementation in other countries
- Develop/extend networks with multinational companies that are actively implementing offset/ICP



***Industrial Collaboration Program (ICP)
for
EVERYONE: Malaysian Case***



Presentation Outline

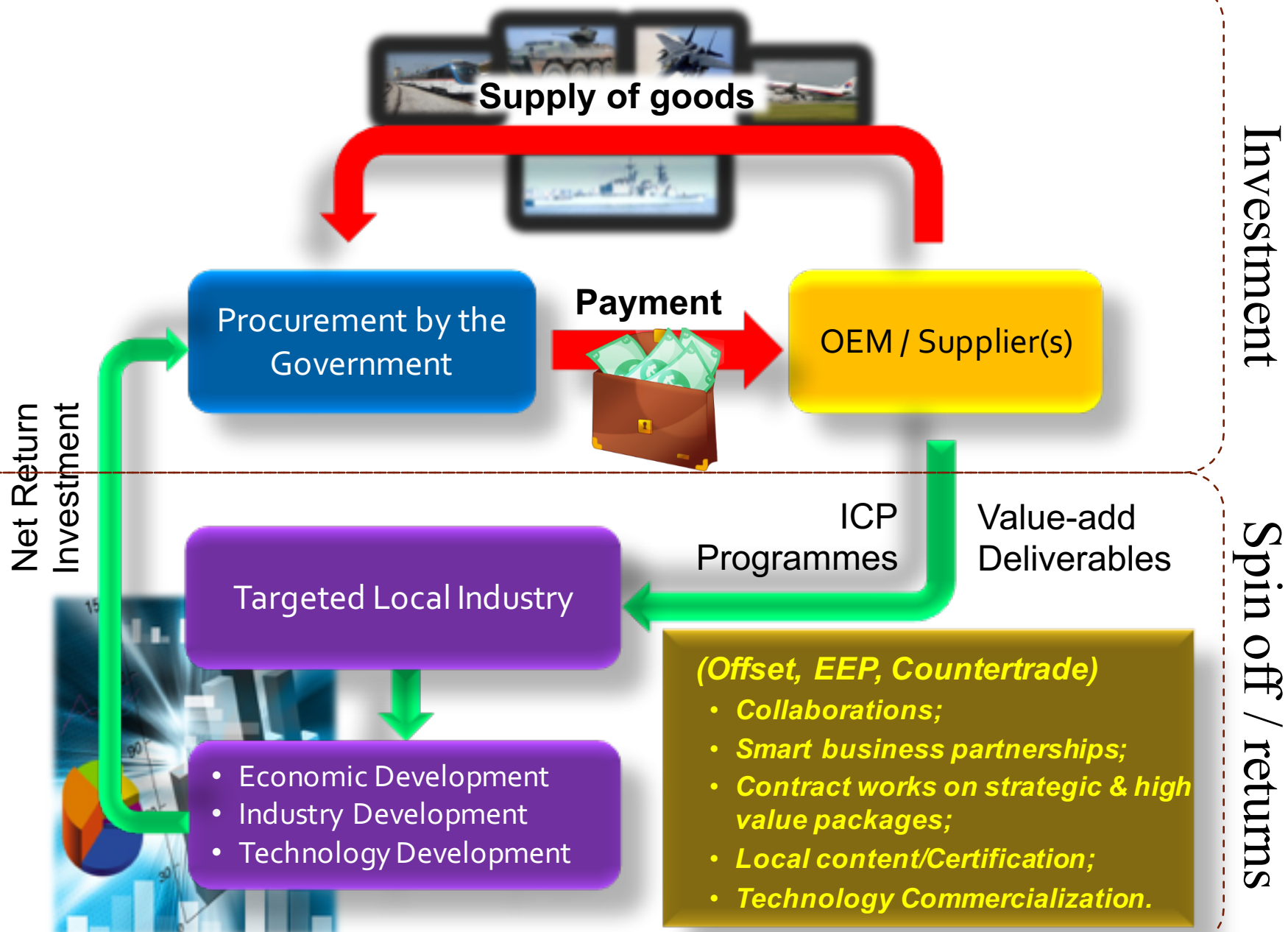


Who is

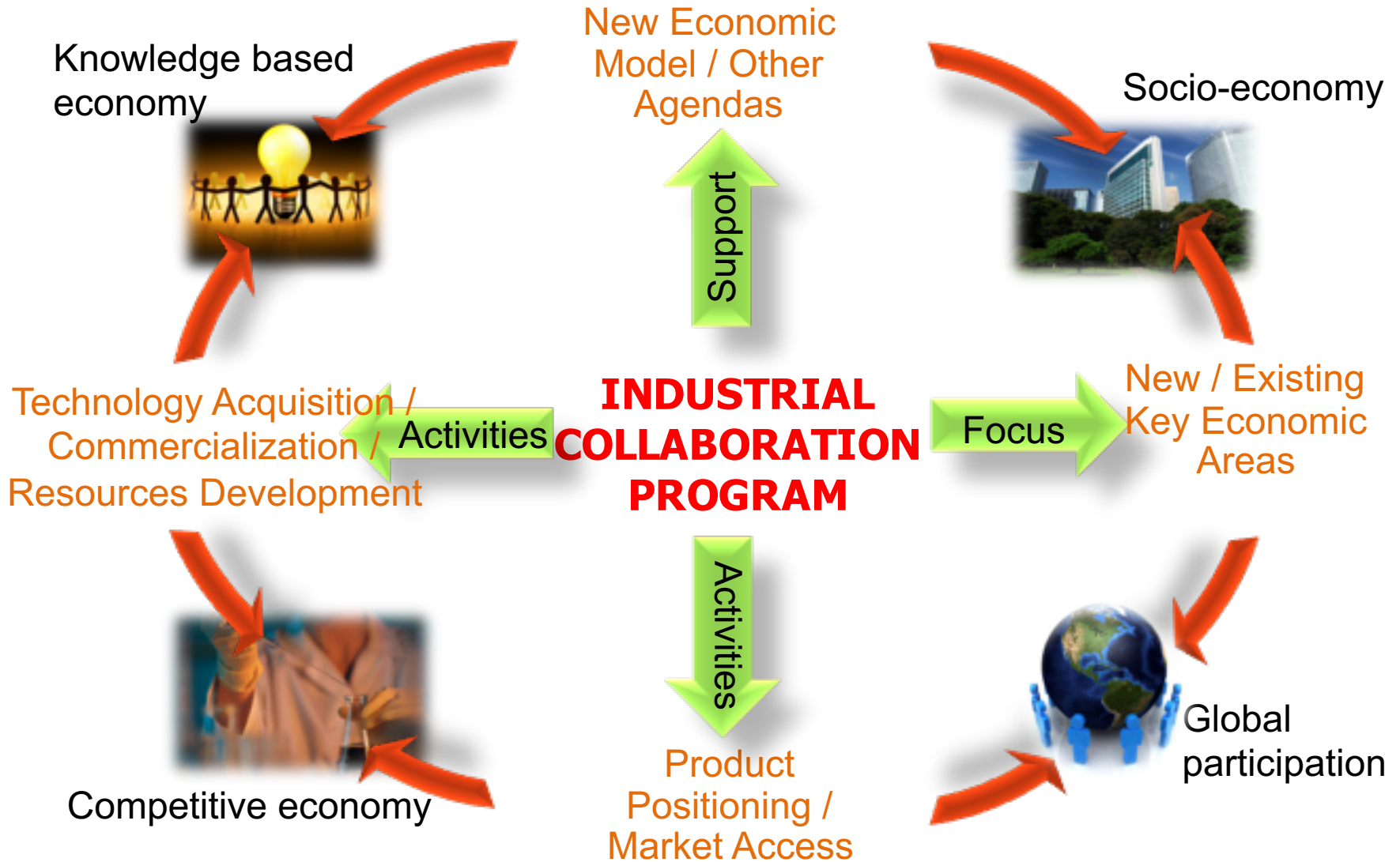


- Initiated in 2002
- Formally established in March 2015 under the purview of Ministry of Finance, Malaysia
- ICP Authority in Malaysia for policy operationalization
 - Formulate ICP Strategic Implementation Plan
 - Monitor the ICP implementation
 - Analyze the ICP outcomes

Simplified ICP Model



ICP: An Economic Development Tool for Everyone



Background: ICP Initiatives in Malaysia

1987

Treasury Circular Letters No. 11, 1987 Guideline to Implement *Countertrade* in Government Procurement

2001-
2002

A Study On Offset Programs of the National Defence Procurement

2005

Countertrade Policy in MinDEF stipulating countertrade / offset requirements in all Defence Procurement

2011

Policy and Guidelines of Offset (2nd Edition) to have offset as mandatory requirements in ALL Government Procurements

2014

Approval of National Industrial Collaboration Program (ICP) Policy (3rd Edition)

2015

Establishment of Technology Depository Agency Berhad under MoF as the Malaysian ICP Authority



ICP Policy Implementation



- *Policy owner*
- *Highest Decision maker on ICP*



- *ICP Authority in Malaysia for policy operationalization*



- *Procuring Agency*
- *ICP Management Unit (IMU)*
- *ICP Plan Implementation*



- *ICP Recipients*
- *Covers national area of interests*

The current policy titled 'Policy and Guidelines on Industrial Collaboration Program (ICP) in Government Procurement' was approved by the Government on 10 Dec 2014

Philosophy

Enhancement of local socio economic
and strengthening of the local industry capacity and
capability to create 'value for money' on Government procurement

Impact

Technology transfer,
development and
nurturing

Market access,
global supply chain
and
commercialization

'Thru-life-support'
for Government
strategic asset

Approach

Develop and strengthen local industry's capacity and capability
and maximize local content

Needs

Human Capital Development

Complementary &
Win-win situation

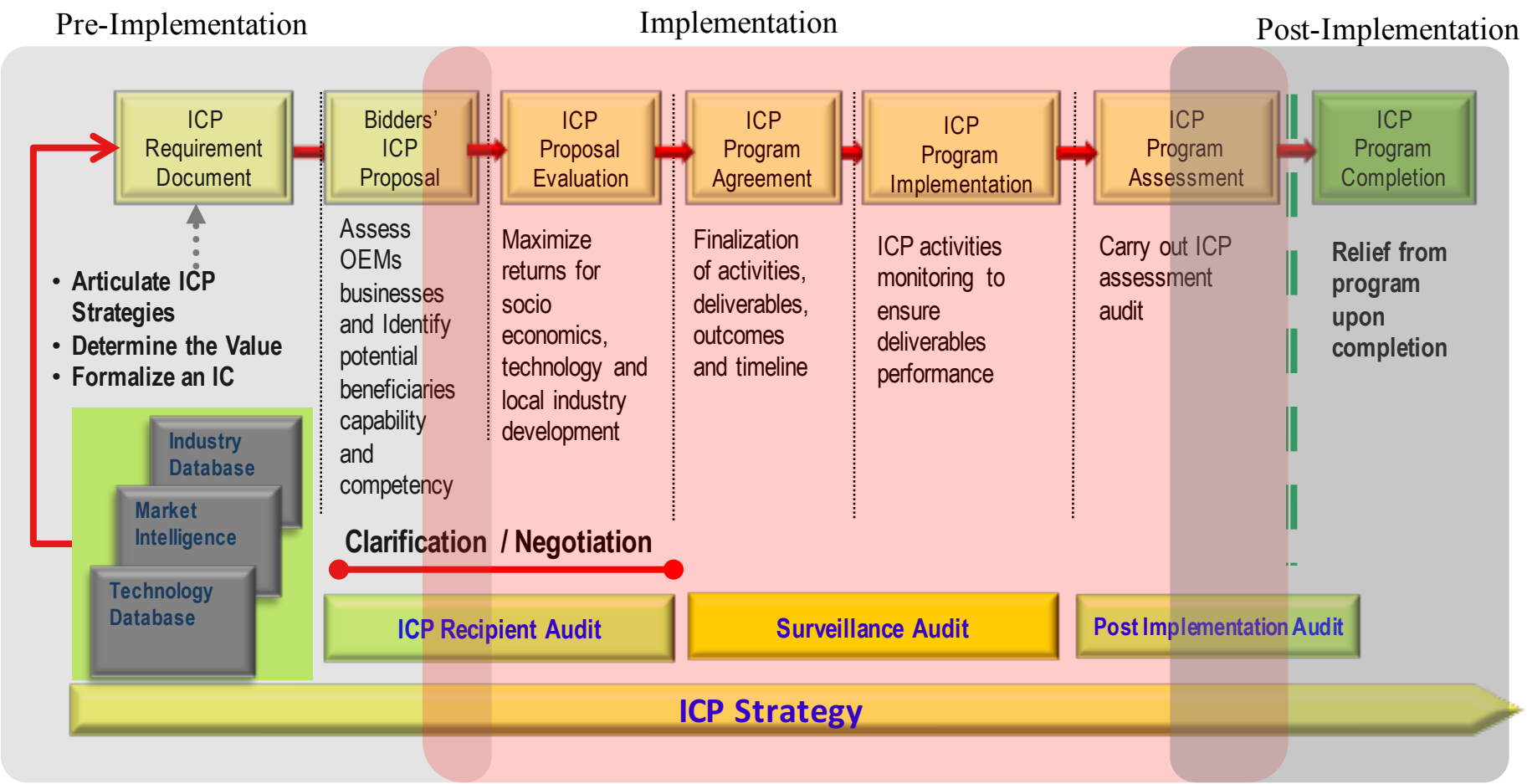
ICP Policy 3rd Edition: Elements

Industrial Collaboration Program (ICP)

Category		
Economic Enhancement Program (EEP)	Offset (Direct / Indirect)	Counter Trade
Scope		
Applied onto Government Procurement from Local Company (as the prime contractor) worth more than RM100 million	Applied onto Government procurement from foreign supplier sworth more than RM50 million	Applied onto Government procurement from foreign supplier worth more than RM50 million

Mechanism of ICP Credit Value (ICV) generation to ensure the ICP pillars are addressed

Malaysia ICP Management Framework



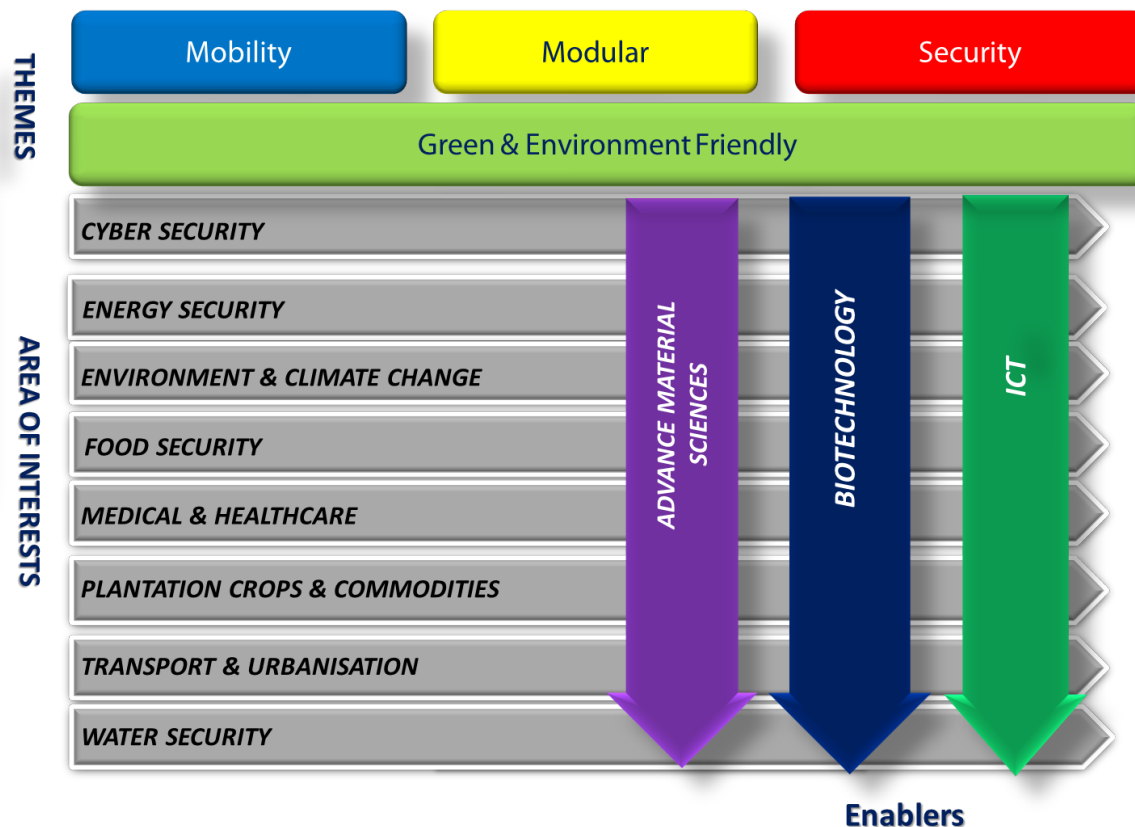
*Source: Policy and Guidelines on ICP in Government Procurement 2014

Technology Development

Technology Priority Area

In 2012, the Ministry of Science has conducted a Technology Foresight to identify the technology needs for Malaysia to achieve Vision 2020

ICP implementation needs to be structured/developed as platforms to support the vision



*Source: Technology Foresight, MOSTI, 2012



PRASARANA OFFSET PROGRAM: OFFSET PROJECTS

300 Diesel Buses Programme:

Automotive Engineering Technology-Train the trainer (HCD)

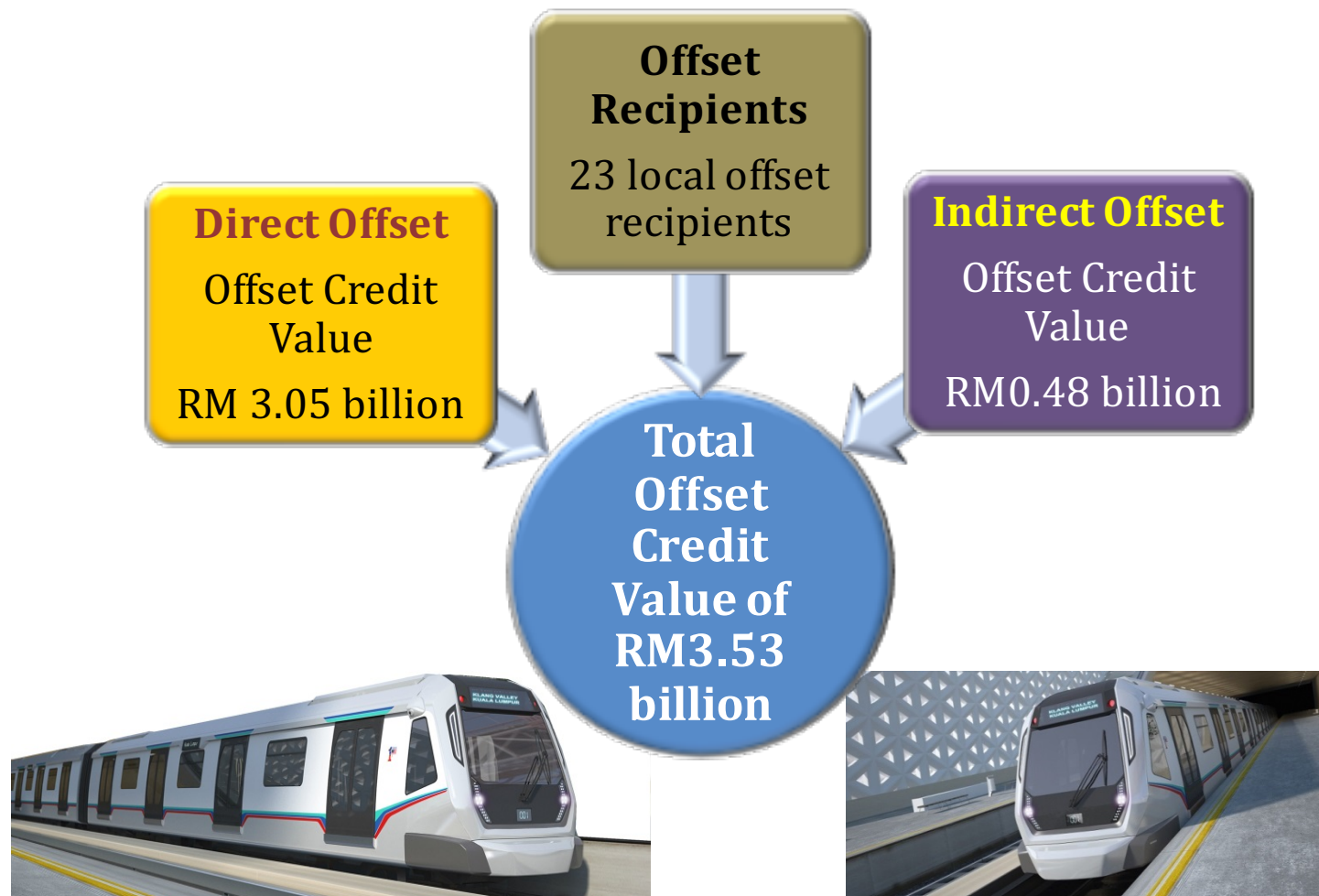
- i. IKBN's Automotive Engineering Department requires updated knowledge in the area of commercial vehicle technology, thus Scania Malaysia has signed an MoU with IKBN Kuala Perlis in helping them getting the access to the latest technology in demand.
- ii. Scania Malaysia is committed to provide expertise, tools and components in assisting IKBN Kuala Perlis to develop the department.
- iii. Project is in the implementation phase.





MRT OFFSET PROGRAM CONTRIBUTION

The MRT Offset Programme contributed to RM3.53billion which benefits more than 20 local companies



MRT1 Offset Program: High Impact ICP

MRT Rolling Stock Assembly Plant



- Investment of RM 81 million;
- International certification for local company;
- Catalyst for industry activities around Rasa Industrial Park, Rawang;
- High skills job to local ~ 160;
- Technology know how sharing for local industry development;
- 2 local companies selected to be part of Siemens Global Supply Chain (*in which one of those is MIDES members*).

A testimony from OEM

ICP is a need for Malaysia

What are expected?

From Client Perspective

People &
Organization

Process

Outcomes

**Sincerity,
transparencies and
integrity of the ICP
providers and
recipients**

**Understand the
area of interests
identified by the
Government**

**Adherence to the
National ICP Policy
and Malaysian ICP
Management
Framework**

**Economic impact via
a workable program**

**Sustainability of the
program in support
of Malaysian
National initiatives**

**Assistance for local
companies to
participate in the
global market**

What we have learned..

What we have learned:

- The ICP activities shall be **sustainable** (not a one off type)
- The ICP 'obligation' shall be regarded as **opportunities**
- The ICP 'cost' shall be regarded as **investment**
- There shall be a mutual understanding (**willing provider willing recipient**) supported with realistic implementation plan
- The Government shall **strongly support the initiative** by:
 - providing effective policy, clear direction, efficient management structure and process
 - synergised/consolidated effort at the national level



Conclusion

ICP is an initiative by the Government utilised as an effective COLLABORATIVE tool to support national economic and technology development

- ▶▶ A platform for **impactful** outcomes;
 - ▶▶ Development of the technology and economic development needs based on the current national resources;
 - ▶▶ Development of targeted industry capability and capacity;
 - ▶▶ Contribution to national economic growth.
- ▶▶ Economic Contribution for businesses – create **‘win-win’** platform for **sustainable businesses** and participation in the global supply-chain
- ▶▶ **‘Win-win’** – shall represent reasonable benefits/risks to the recipient and reasonable returns/risks to the provider agreeable by both parties

Thank You

For more information, please visit:

www.treasury.gov.my

www.tda.my

or email to wanrofidah@tda.my