

16/01/1997

Dutch deliverance

M Shanmugam

THEO ARNOLD, The Netherlands's ambassador to Malaysia feels that despite the physical distance and cultural differences between the two countries, shared interests nurture an embryonic friendship.

Both are active members of the United Nations, and both take their regional responsibilities seriously. The Netherlands is to chair the European Union this year while Malaysia will chair the Asean summit. Then, there is the fact that The Netherlands's Rotterdam Port is a major gateway to a European market of 370 million consumers while Malaysia is viewed as a major point of disembarkment for trade and investments into this region. So much so that 'Dutch companies coming to Malaysia have increased substantially the past two years from 68 in 1994 to just over a 100 as at the end of last year,' says Arnold. They join such household names as Shell, Philips, Guinness Anchor Breweries and Unilever.

Trade between both countries stands at RM4 billion in a ratio of 3:1 in Malaysia's favour. Arnold hopes to see this grow 20 per cent annually. As for industrial investments, the ambassador says RM520 million has been invested over the last five years, mainly in the electrical and electronic products sectors.

Not reflected in the investments statistics is the vital services aspect of Dutch-Malaysian business ties. Besides the more established ABN-Amro Bank which has operated in Malaysia for more than a century, there are other Dutch companies in the dredging, insurance, trading, distribution, consultancy and retailing businesses.

Prominent among them are Ballast Nedam and Zinkcon Boskalis (dredging and construction), Oc` (sales), Rabobank (agriculture financing and consultancy), ING Barings Bank (in the offshore financial centre of Labuan), Damco Maritime (warehousing and distribution) and the Makro stores (wholesaling).

The Netherlands has also been active for years in Malaysia's defence industry. The Dutch are regular participants in the bi-annual Defence Services Asia exhibition where Hollandse Signaal has traditionally maintained an impressive booth showcasing its defence communications equipment.

'Dutch companies are already active in a wide range of sectors.

Malaysia's economic policy, however, opens up new opportunities for even more Dutch activities,' says Arnold, a keen observer of Malaysia's economic growth model. These opportunities lie in port construction, information technology and environmental engineering.

Environmental technology, in particular, is an area with much scope for exploration. 'In The Netherlands, there are very strict environmental regulations. Dutch companies have a lot of expertise and are advanced in waste treatment and management of waste collection. This technology can be of help to Malaysian companies,' Arnold tells Malaysian Business.

Another area in which the ambassador feels the Dutch can be of help is the management of water. As nearly half of The Netherlands is below the sea level, the Dutch expertise in water management is perhaps second to none. 'Dutch companies could be of help in applying their expertise to flood-prone areas,' he suggests.

New areas of business Dutch companies are interested in in Malaysia include yacht building, healthcare and bio-technology.

The Netherlands is one of the premier yacht builders in the world. Its

major export markets are Asia and South America. Plans are afoot to present The Netherlands's yacht building sector at the Langkawi International Maritime and Aerospace exhibition this year. 'The Dutch are known for building mega yachts. There are many mariners along the coast and perhaps there are possibilities which can be explored,' says Arnold. On healthcare, Arnold says a medical mission is due to visit Malaysia in a few months to explore possibilities. As for biotechnology, Arnold says Prime Minister Datuk Seri Dr Mahathir Mohamad recently visited The Netherlands Organisation for Applied Scientific Research (TNO) and was impressed with its facilities. The TNO conducts applied research in a wide range of fields from industrial to higher value-added agriculture products.

Malaysian investment in the Netherlands is minimal, but says Arnold, 'The Netherlands can be regarded as an integrated transportation and distribution centre. In fact, the prime minister (Mahathir) took a closer look at the fully robotised container handling at the Rotterdam Port during his recent visit to the Netherlands.

'We would like to see Proton entering Europe via the Netherlands. Several Japanese companies like Nissan are using Amsterdam as a distribution point to Europe,' he adds, pointing out that there are about 6,500 foreign companies who have established their European operations in the Netherlands for other reasons as well, notably its high degree of labour stability, skilled and productive workforce and Dutch know-how on export marketing.

Because Malaysian businessmen are investing abroad more of late, The Netherlands has decided to open a branch office of the Netherlands Foreign Investment Agency which will cover the Singaporean and Malaysian markets. Interested investors can also approach the Holland International Distribution Centre for advice on the logistics of entering the European market.

(END)