

Penang Aggressively Courting German Investors
Bernama
5 March, 2014
By Manik Mehta

FRANKFURT, March 5 (Bernama) -- Southeast Asia's 'Silicon Island', as Penang often touts itself, is not only aggressively courting German companies to invest and establish operations on the island but also benefit from the host of advantages which it offers.

Penang Development Corporation Director Datuk Lee Kah Choon, a special advisor to the Chief Minister of Penang, recently held a seminar in Frankfurt with a group of potential German corporate investors and other interest groups which included the German-Malaysian Association, the German-Asia Business Circle and the German Electronics and Electrical Association.

Malaysian Investment Development Authority (MIDA) Director in Frankfurt S. Siva was also present during the event and fielded questions about technicalities and procedures relative to investments in Malaysia.

Using the success story of the German medical-device manufacturer, B. Braun, Siva said because of Penang's unassailable position as an electronic and electric (E & E) manufacturing base, the island offered companies manufacturing products with strong E & E content the advantage of well-developed infrastructure.

Some of the industries that would have immense benefits from Penang's well-developed E & E infrastructure are aerospace, solar energy, medical devices, etc.

B. Braun is expanding its plant in Bayan Lepas Industry Park in southern Penang, the largest outside Germany, and has earmarked an investment of about 400 million euros between 2010 and 2015.

In an interview with Bernama after the investment seminar, Lee said Germany was among the top investment source for Penang and foreign companies setting up base here need to take their existing operations to the next level by setting up regional offices on the island.

"As you know, any company's operations would be characterised by three components - the internal management, manufacturing and sales.

"Penang has successfully attracted manufacturing operations in the past but many big manufacturing companies maintain their management offices elsewhere in the region. We would like them to migrate to Penang," Lee said.

In 2013, foreign direct investments (FDI) flow in Penang's manufacturing sector amounted to RM3.9 billion, up from RM2.4 billion in 2012.

Asked which specific industries would fit in well with Penang's infrastructure, Lee said that Penang offered a good starting base for practically for any manufacturing industry.

"Penang is a matured economy and investors look for a viable site...capital and hi-tech intensive industries involving a high-level of automation will particularly find Penang attractive.

"The E & E based industries would also find it conducive because of the large E & E industrial base," he said.

The creation of the Asean Economic Community (AEC) in 2015 is another milestone in the integration of the 10-member group with a collective market of 600 million consumers with expanding links to the Asia-Pacific region with half of the world's population.

Penang also stood to benefit, in terms of trade, from the creation of the Trans-Pacific Partnership which US President Barack Obama is going to push during his forthcoming visit to Malaysia in April.

"Yes, there is a proliferation of multilateral treaties but these are not going to conflict with each other because at the end of the day, trade will benefit," Lee argued.

Penang, which contributes over seven per cent of Malaysia's Gross Domestic Product, is also keen to attract medical tourism which has grown by an average 20 per cent in recent years.

The island accounts for some two-thirds of Malaysia's medical tourism foreign earnings.

-- BERNAMA

Copyright © 2014 BERNAMA

Source: <http://www.bernama.com/bernama/v7/newsindex.php?id=1019421>