

# Network of German firms

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**KUALA LUMPUR:** German Leadership Network Association, Malaysia (GLN), which groups the top German multinational corporations (MNCs) operating in the country, was formally launched yesterday.

GLN chairman Rainer Althoff said the launch was timely as it was formed to provide a platform for continuing trade relations between German MNCs and government ministries, as well as acting as a conduit for bilateral trade between Malaysia and Germany. The GLN was launched by German Ambassador to Malaysia, Herbert D. Jess.

Germany is Malaysia's largest trading partner in Europe and ranks second behind the United States in terms of foreign direct investment in the country. Last year, German FDI in Malaysia was about seven billion euros.

Althoff said several top German companies operating in the country, such as Siemens, Infineon and motor giants BMW and DaimlerChrysler, were maintaining their investments here, and intended to make Malaysia a gateway to South-East Asia and beyond.

"For example, Infineon channelled about US\$1bil into its wafer production capacity at the Kulim Hi-Tech Park in Kedah last year, which shows German companies see the

potential of investing in Malaysia. Our objective is to bring in even more German firms," he said.

Althoff, who is also Siemens Malaysia Sdn Bhd management division president, said it was also more cost-effective to set up plants in Malaysia now as against China, adding Siemens planned to open a new branch in Bintulu, Sarawak, in the next two to three years.

"Malaysia has a mature industrial infrastructure and a highly skilled workforce. Contrary to popular belief, our plant in Malacca operates at a lower cost than the one in Shanghai," he said.

He said Malaysians' knowledge of English and their ability to adapt to a different culture also made the country "very attractive".

"In fact, we support Infineon's decision to choose Malaysia over China," Althoff said.

When asked on the large market volume disparity between Malaysia and China, Althoff said it was not a concern, as German manufacturers here were also looking to export their output.

Exports, he said, would make investing in Malaysia "much more sensible".

He also said Siemens was comfortable with the ringgit's rising trend against the US dollar.

"Some economists see the ringgit appreciating to 3.55 (against the greenback) by year's end, but we think it would have no effect on our exports," he said.