

CITY OF OPPORTUNITY

Watering Asia Pacific's growth from Kuala Lumpur

Veolia bets on new regional base to ride the rising tide

If water is life, then wastewater is a fact of life. And nowhere in the world is the growth potential for both industries bigger than in Southeast Asia.

That is why Veolia Water Technologies (Veolia), one of the world's leading solutions provider for both water and wastewater treatment, is betting on its new regional base in Kuala Lumpur to ride the rising tide.

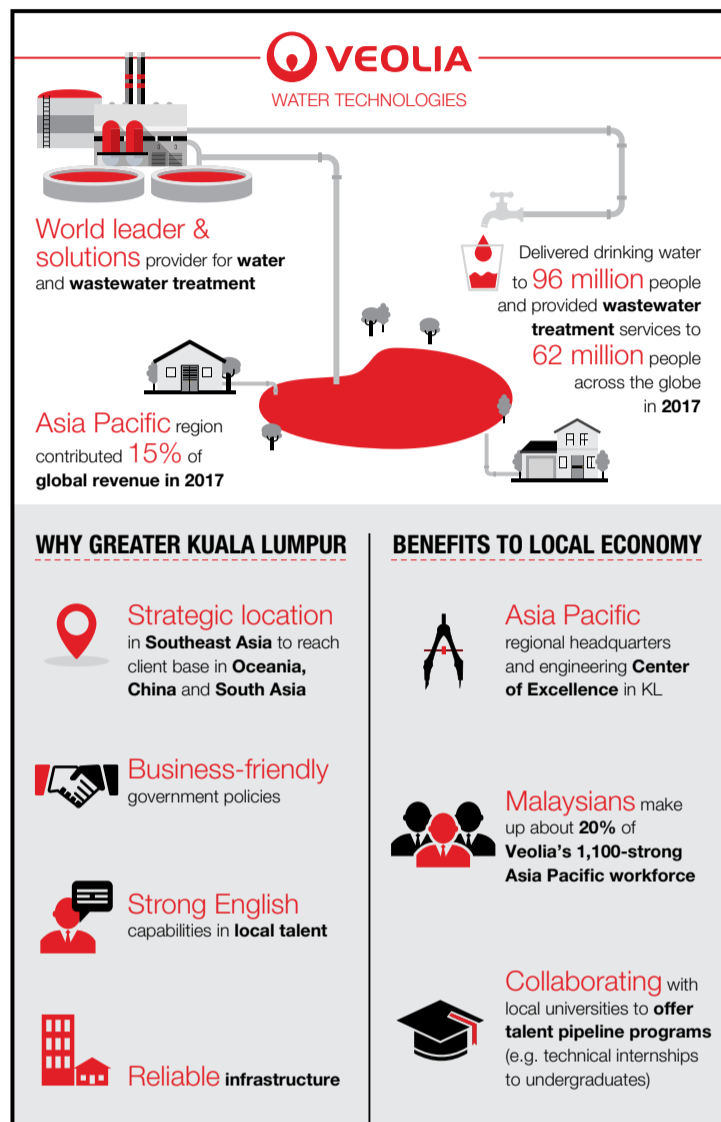
"Having a regional headquarters in KL allows us to be closer to customers and partners in the region. It also plays an important role in expanding our footprint across Asia Pacific," says Frédéric Théry, chief executive officer of Veolia Water Technologies, Asia Pacific.

Asia Pacific has been a critical region for Veolia globally, making up 15% of its global revenue in 2017. Théry expects that proportion to continue growing amid rapid development Southeast Asia.

Crucially, tightening environment regulations alongside global water and wastewater issues in Southeast Asia have spurred corporates to acknowledge that being environmentally responsible is the way to go.

And therein lies the significant market potential that Veolia is eyeing. With a complete range of services from designing and building, to maintaining water and wastewater treatment facilities for both industries and the public, Veolia specialises in responsible and sustainable solutions that reduce corporates' water footprint.

According to Théry, Kuala Lumpur's central location in Southeast Asia is a key competitive advantage for the company in that perspective. For starters, Kuala Lumpur's time zone is ideal for its client



base, who are spread across Oceania, China, and South Asia.

The reliable infrastructure in the city and strong English capabilities among the local talents has also supported its growth strategy, with Malaysians making up as much as 20% of its 1,100-strong Asia Pacific workforce. Overall, Veolia employs 169,000 workers worldwide.

Kuala Lumpur — truly Asia

Of course, neither Asia nor Kuala Lumpur are unknown territory for Veolia. It has operated in Asia for over 35 years, with a Kuala Lumpur presence going back two decades.

But it was not just familiarity that drew the company to set-up a regional headquarters in the capital city. Rather, it sought access to the soft capabilities of the local talent as a critical business edge.

"The Malaysian talents are multi-lingual and multi-cultural, and are familiar with the Asian culture. This enables them to communicate effectively with clients in the region and bolsters their understanding of the client's needs," says Théry.

In addition, the regional base location in Kuala Lumpur has also allowed the company to refocus various functions, and to become leaner and faster in responding to the unique needs of different markets across the region.

This is helped greatly by the capital city's inherent friendliness towards multinational companies (MNCs). For example, business-friendly government policies make it attractive and cost-effective for MNCs to operate in the city.

"Kuala Lumpur is fertile ground for



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MNCs to grow and flourish," Théry says.

Critical to Veolia setting-up its regional headquarters in Kuala Lumpur has been the facilitation and support provided by various agencies, especially InvestKL — the entity spearheading the promotion of Kuala Lumpur as a regional hub of choice for MNCs.

Veolia's regional chief, Théry, agrees, praising InvestKL's assistance as essential to making the set-up in Kuala Lumpur "seamless" for the group.

"InvestKL assisted greatly by connecting us with the relevant authorities and agencies in dealing with local regulations, and by providing necessary advice on various other processes, such as the relocation of some of our key management personnel to KL," he adds.

Long-haul planning

It is clear that as far as Veolia is concerned, it is in Kuala Lumpur for the long-haul. Numbers aside, the headcount in Kuala Lumpur also includes key management roles that are held by local talent, it says.

Furthermore, Veolia is also building a pipeline of talent supply locally. It is already collaborating with local universities to develop degree programs related to the water and wastewater industry and will offer technical internships to undergraduates.

Locally, one of its landmark project is the 20-year partnership agreement to provide a wastewater treatment and reclamation plant for the iconic Tun Razak.

The project will see Veolia build a 30,000-square-foot plant to treat 3.5 million gallons of wastewater daily for non-potable purposes. Reports say the plant can cut water demand by half as at least 80% of fresh water used can be recycled.

But Veolia is not resting on its laurels just yet. Instead, it is looking ahead to keep up with the myriad of challenges faced by water and wastewater players.

Among other ways it is managing these challenges is via a proprietary digital platform called AQUAVISTA™, which provides real-time monitoring of its plants and connected equipment.

"Veolia will continue to contribute to the sustainable development in the region by providing unique water, wastewater, and reclaim solutions — from process design to complete turnkey installation and operation services for municipal and industrial customers," says Théry.

"We look forward to working in partnership with stakeholders to focus on what we do best in delivering results with our solutions."

Kuala Lumpur : Foothold to grow a strong regional business presence

Investments, job creation, and innovation are the usual buzzwords that swirl around the discourses on economic growth. But the biggest driver of all is simply water.

The 2016 United Nations World Water Development Report, Water and Jobs stated that water is the essential element that turns the economic wheel globally.

Among its key findings are that half of the world's three billion workers are employed in eight water and natural resource-dependent industries, while 75% of jobs are dependent on water in some form.

With that in mind, expertise and technologies related to water — such as those of Veolia Water Technologies — are critical to have as it forms the cornerstone of Malaysia's ongoing development and progress, says InvestKL CEO Datuk Zainal Amanshah.

"Globally, growing cities and industries increasingly need to manage, optimise and make the most of their resources," says Zainal.

"Expertise with solutions related to water, energy and materials is required to promote the



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— ZAINAL

transition toward a circular economy and contributing directly to the sustainability development of cities, while protecting the environment."

Such expertise is critical given the rising importance of smart cities — defined by the World Bank as ecologically and economically sustainable cities that, among others, promote maximum efficiency in using resources such as water.

The Veolia investment via a regional hub in Kuala Lumpur not only takes its 20-year presence in the city to the next level but also creates a mutually beneficial relationship.

With rapid economic and population growth in Southeast Asia outpacing much of the modern world, having a leading global player such as Veolia in Kuala Lumpur will only strengthen the competitiveness of the city as it absorbs the know-how moving forward.

"Furthermore, strong water and wastewater-based expertise and know-how — particularly digital-based and technology-driven such as Ve-

olia's — are important backbones to shaping a competitive business ecosystem given their crucial roles as the foundation of any business activity," says Zainal.

The entry of Veolia is also the culmination of InvestKL, an agency under the Ministry of International Trade and Industry, selective strategy in filtering the type of MNCs it attracts to the capital city.

InvestKL is tasked to attract large global multinationals to set up their regional headquarters and hubs in Greater Kuala Lumpur to strategically grow in Asia.

Up to end-2017, over 70 MNCs, with investments totalling RM11.07 billion and nearly 11,000 jobs created for Malaysians.

According to Zainal, getting the right kind of MNCs to come in is critical as each MNC should fit into and advance the national economic goals: to spur innovation and boost productivity.

"Veolia fits these requirements perfectly given its expertise in technological solutions that leverage on advanced industry 4.0 driven by digital technologies," says Zainal.

YB Darel Leiking, Minister of International Trade and Industry recently said that by providing an enabling and conducive ecosystem, the manufacturing and services sector are able to thrive by adopting new technologies. "We can ensure that Malaysia will remain an attractive prospect for high technology, innovative and high value-added industries in years to come," he adds.