

MEIKO established regional HQ for Southeast Asia in Greater KL

PATRICK GOH/THE EDGE

Malaysia is no foreign place for the MEIKO Group, a German-based warewashing technology producer, as its first project here was back in 1993, installing warewashing facilities at the Sultan Salahuddin Abdul Aziz Shah Airport, then Kuala Lumpur's international airport.

However, it was in 2012 that MEIKO decided to set up a regional hub in Southeast Asia. After considering suitable locations such as Bangkok and Singapore, the group decided to locate its regional headquarters for Southeast Asia and South Korea in Kuala Lumpur.

So, what attracts a company that started out of a garage in the Black Forest area by Oskar Meier and Franz Konrad in 1927 to set up a Southeast Asian hub in Kuala Lumpur, beating other economic hubs in the region?

Rudolf Kitzbichler, managing director of MEIKO Clean Solutions (SEA) Sdn Bhd, says the multilingual skills of Malaysians, ease of setting up and doing business, having good digital potentials and yet still at a reasonable cost are among the factors MEIKO chose the city as its home base in Southeast Asia.

"If you look at the geographical location of Kuala Lumpur, it is the most centrally located city among the major economic hubs of Southeast Asia. You are able to reach every spot in the region in less than four hours.

"And if you look at the bigger picture, within Asia itself, you can fly to Dubai, Tokyo or Sydney in less than seven hours. That's what I would call a central location within Asia," says Rudolf Kitzbichler.

MEIKO's journey over the last nine decades

MEIKO started out in Baden-Württemberg, a region in Germany that is well known for its technologically innovative companies. In 1927 when Meier and Konrad established the company, it had only five employees. The vision of the founders was to make the world a cleaner place.

Today, MEIKO is a technology company with warewashing solutions installed in over 90 countries worldwide and 20 subsidiaries, with a workforce strength of 2,500. In 2019, the group's total revenue reached €375 million, more than sixfold the €60 million in 1990.

MEIKO has become the benchmark for hygiene and efficiency in the warewashing solutions industry. Its products are manufactured in Germany, the US and China, enabling the company to ensure premium quality all around for its customers.

"Wherever you see our trademark logo, you can be sure to find innovative engineering and outstanding design, combined with an attention to detail, functionality and ergonomics," says Rudolf Kitzbichler.

Having already set up hubs in other regions, MEIKO had its eyes set on Southeast Asia and South Korea. It wanted to be closer to its clients in this region and therefore required a regional hub from where it could serve its customers.

"While our good name MEIKO is recognised worldwide through our innovative technology, it is the quality of our professional services that has really given us lots of long-term partnerships, because only a working machine is a valuable machine. To reach this, we are close to our business partners; we understand quite well what drives them, what concerns them and what adds value to their business – we are in constant dialogue to help solve their needs."

"This is why we set up regional centres to be globally local and be able to serve our customers within just a phone call away in their native language and within the shortest distance to

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The main focus of the Southeast Asian hub is to build up and develop MEIKO's sales and service network in the region. MEIKO not only focuses on producing high-quality warewashing machines, it also strives to provide premium services to its customers.

As Rudolf Kitzbichler puts it, "it is not only about the machine, it is about providing a complete solution and hygiene package to our customers. And hygiene has become even more conscious in times of the Covid-19 pandemic. Our automatic processes ensure safe hygiene, and this has been our core business since 1927 – hygiene is in our DNA".

The SEA hub does not only develop a sales and service network for MEIKO but also involves research and development, says Rudolf Kitzbichler. The R&D that takes place at MEIKO SEA involves understanding the local culture and food habits.

For example, the Kuala Lumpur Convention Centre uses very big food-sharing plates. MEIKO SEA conducts R&D into test washing the big food-sharing plates under real conditions with the right chemical combination to make sure the items are hygienically cleaned and dried.

MEIKO's R&D foothold in KL

MEIKO started some partnerships with universities like KDU & Taylors University on the foodservice section and with University Teknologi Petronas from a digital aspect. It also actively supports a non-governmental organisation here in Malaysia – Food Aid Foundation. It is trying its best to educate the local F&B scene and healthcare segment on hygienic solutions and standards and sharing its global experience and knowledge with the community.

"Our Malaysian team is very responsible, which could be seen during the Covid lockdown, and we are thankful to have such a great team with good team spirit," says Rudolf Kitzbichler.

"Being able to find talent that can speak German is a bonus. We have a young Malaysian general manager here – who is 35



– leading the team and a MEIKO Academy manager doing a great regional job. Two of our employees have also studied in Germany. They speak some German, which is great to communicate with our team in Germany."

InvestKL supports MEIKO during Covid-19 pandemic

During the Covid-19 pandemic, borders were shut, causing travel for MEIKO engineers and technicians to be halted and ongoing work to be suspended. InvestKL assisted the company to secure all the necessary approvals from the authorities in both countries to arrange for the travelling of the company's engineers to Jeju, South Korea.

"InvestKL supported us greatly by connecting us to the local Immigration Department, to allow our engineers to fly to [South] Korea and also come back into Malaysia again. Of course, all necessary quarantine rules were followed," says Rudolf Kitzbichler.

"It has been seven years since we decided to make Malaysia our regional hub, and we are planning to stay here for good. So right now we have started to think about our future plans."

InvestKL to focus on attracting more high-tech sustainable investments

Over the last three years, the US and China have been embroiled in a trade war, one that escalated from a dispute over trade balance between the two superpowers into allegations of military applications of technology. While some concessions have been agreed between the parties, the disputes are still far from over.

The US has even gone to the extent of forcing the sale of Tik Tok, a social media platform based in Beijing, to Microsoft Inc or other American companies, as well as banning Google from providing its services to Huawei Technologies' mobile devices. The US has also banned Huawei from participating in its 5G network rollout, and is encouraging other countries, especially its allies, to do so.

This schism between the US and China when it comes to trade and investments have caused many multinational corporations (MNCs) to be stuck between a rock and a hard place. This is because the US is still the world's largest market for consumer products and technologies, while China is home to many of their manufacturing bases.

Therefore, many MNCs are planning to diversify their manufacturing bases and regional hubs away from China, so as not to be caught with extra tariffs to supply to the US. One of the strategies is the China+ approach, whereby the MNCs will maintain their operations in the country, while setting up a new base somewhere else to continue to supply to the US at a reasonable and competitive cost.

Malaysia as a country with a relatively stable economy and currency, insulated from major natural disasters, having reliable and widely available infrastructure as well as a multilingual workforce is touted as one of the countries that may benefit from the diversification of manufacturing bases by MNCs.

This is where InvestKL – as an agency under the purview of the Ministry of International Trade and Industry tasked in attracting MNCs to set up their regional hubs in the Greater Kuala Lumpur area – is working hard to ensure that foreign investors feel welcome to invest in Malaysia.

Over the last 10 years, InvestKL has been able to attract over 90 MNCs to set up regional hubs in the Greater KL region. The agency is optimistic that it will be able to surpass the target of attracting 100 MNCs by 2020, realising accumulated investments worth RM15 billion.

"Greater KL is pivoting towards next-generation industries and that's where we strengthen our focus on attracting high-tech, high-value and high-impact investments to embrace the journey towards being Industry 4.0 ready

tech, high-value and high-impact investments to embrace the journey towards being Industry 4.0 ready," says InvestKL CEO Muhammad Azmi Zulkifli.

While Malaysia offers a range of attractive tax incentives for high-tech investments, InvestKL believes that Greater KL's fundamentals are vital towards attracting and shaping foreign direct investment decision-making such as rapid growth dynamics, world-class connectivity, integrated transport facilities, future-ready talent and high-technology capabilities.

Nevertheless, the agency will continue to support foreign companies that are planning to invest in Greater KL throughout their investment life cycle. This includes identifying opportunities, proposing growth strategies and working closely with key government agencies and organisations to ensure a smooth and expedited process.

"We also introduce strategic collaboration opportunities to address their operational and growth needs through local players, talent agencies, universities and more," says Azmi.

So now that almost 100 MNCs are already using Greater KL as their regional hubs, what is next for InvestKL?

"We will continue to highlight our strong fundamentals to attract investments that are of high value and sustainable, while protecting and retaining our current investments. The opportunities here in Greater KL will ensure that our MNCs continue to move up the value chain," says Azmi.

InvestKL will pave the way for Greater KL to be the leading gateway for high-value, high-tech and high-impact investments into Malaysia and beyond.



Azmi: Greater KL is pivoting towards next-generation industries and that's where we strengthen our focus on attracting high-tech, high-value and high-impact investments to embrace the journey towards being Industry 4.0 ready