



MGCC[®]
**Annual Report
2022**

**Tropical trade wins amid global headwinds:
Trekking into a new frontier**



AHK

Malaysian-German Chamber
of Commerce and Industry
Deutsch-Malaysische
Industrie- und Handelskammer

MGCC ANNUAL REPORT 2022

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Message

Dear members of MGCC,

Those of you who have been our loyal members for some time will know that it's that time of the year where I am pleased to share with you our Annual Report for the past year! In the pages that follow, we look back on 2022, a year where we boldly faced recovery and change. A year in which we leaned in on our strengths as a service provider and the official voice of the German economy in Malaysia. We witnessed success both in financial results and reaped the rewarding outcomes of our strategic restructuring and planning while never losing sight of the silver lining which served us well in times of uncertainty.

2022 began with war returning to Europe, reviving Cold War-style acrimony between Russia and the West. We also witnessed extraordinarily high inflation rates around the globe, including Malaysia, where the rise in food and fuel prices were felt especially by the B40. Part of this serves as a reminder of the impact of the climate crisis and the need to change and to do it now. Not to mention, rising tensions between the US and China continue to grow as the global community waits anxiously to see what the position of Beijing will be on Taipei.

But despite these headwinds, Malaysia witnessed many trade wins in what was a challenging year for most. As you will see on our front cover, we have chosen the theme "Tropical trade wins amid global headwinds: Trekking into a new frontier" to encapsulate 2022's Annual Report. A play on the words "trade winds", we felt evoking the prevailing equatorial winds early traders would use to guide their vessels to Asia was apt amid shifting focus to this part of the world while new frontier signals the opening up of the economy after Covid-19.

In 2022, Malaysia recorded an 8.7 per cent growth, the country's best economic performance in 22 years as compared to 3.1 per cent the previous year, showing the recovery from the pandemic – but also signalling investor confidence in the country's economy. Another momentous occasion for Malaysians in 2022 was the 15th General Election ushering in its first-ever Unity Government led by Prime Minister Dato Seri Anwar Ibrahim as the fourth premier in four years. His commitment to boost

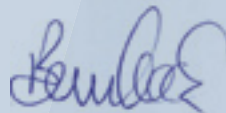
international trade by pledging good governance will only work in favour of this historically-rich tropical terrain that hundreds of German firms chose to call home.

You can never look back on the year without key lessons and what a teacher 2022 was! We continued embracing the new normal whilst learning the value of a robust supply chain that factors in business continuity and environmental protection for future generations. We continued our efforts to digitise additional services for our members including introducing cashless payment gateways for easier transactions, launching the EventLink newsletter to promote our events and introduced a mobile app so you can get the latest news and register for our events conveniently from your device!

As the largest bilateral foreign business chamber in the country, service is at the heart of what we do. That is why we will continue promoting Automation Valley Malaysia, our membership-based marketplace in collaboration with Digital Penang to further accelerate Malaysia's automation industry. We also introduced two new visa services based on the Malaysian government's launch of the PLS@MYXpats and DE Rantau Pass that will ease the entry of skilled talent and digital nomads into the country.

I would like to extend my sincerest thanks to our members for their unwavering support, our stakeholders and our partner organisations who have been with us on this journey of constant change and faithful friendship. These along with our headquarter, the DIHK in Germany and the Federal Ministry for Economic Affairs and Climate Action of Germany (BMWK), remind us that we are all part of an ecosystem reaching for the same goal.

Our year wouldn't be complete without our trusted Board of Directors and a special thank you goes out to them for their invaluable insights. Last but not least, our MGCC family comprising the management team and our culturally diverse, motivated and ever-innovative colleagues for their hard work and dedication, and for going the extra mile to make every project a roaring success.



Daniel Bernbeck
Executive Director



The year in numbers

821
ENQUIRIES HANDLED
15% INCREASE

21%
INCREASE IN
PAYROLL CLIENTS

17%
INCREASE IN COMBINED
LINKEDIN AND
FACEBOOK FOLLOWERS

APPROXIMATELY
52k
UNIQUE
WEBSITE VISITORS

THE LAUNCH OF THE
MGCC APP
JULY 2022

151
VISAS
PROCESSED

846
PODCAST
DOWNLOADS



37
MECHATRONICS
GRADUATES
FROM **JULY 2018 INTAKE**

40
MEMBERSHIP EVENTS
WITH MORE THAN
1,679 PARTICIPANTS

407 **MEMBERS**
77% INCREASE IN NEW MEMBERS

* percentage figures in comparison to 2021

Market entry



2022 marked the third year of business life being transformed as the global community learned to live with Covid-19. Lessons learnt from this era of the new normal include the importance of strengthening one's supply chain and increasing sustainability in all facets of running an organisation in the face of threats beyond our control as we have witnessed in the past few years including a growing need to address the climate emergency.

Malaysia's swift recovery as reflected in its GDP, booming exports in the semiconductor industry, and the complete lifting of all Covid-19 entry requirements on 1 August 2022 further boosted the country's recovery which allowed the Chamber to attract more clients.

Market entry, partner searches and customer enquiries were off to a strong start after New Year 2022 and the Chamber continued to receive consistent enquiries every week on market entry services.

Projects

19 – 21
October

Baden-Württemberg Business Mission to Malaysia

In collaboration with Baden-Württemberg International (BW_i), the central location marketing agency for business and science for the State of Baden-Württemberg, MGCC welcomed the first physical delegation with a focus on automation, production technologies, artificial intelligence and Industry 4.0 to Malaysia since the pandemic closed borders

early 2020. The delegation visited B. Braun, Inari Technology and NSW Automation in Penang and met with representatives from Invest Penang, Kedah Industrial Skills and Management Development Centre, Digital Penang, Small & Medium Enterprises Association Malaysia, Kulim Technology Park Corporation as well as MIDA.

31
October

NRW Investor Roundtable and Networking

MGCC hosted a roundtable on manufacturing standards, technology scouting and start-ups from North-Rhine Westphalia together with NRW.Global Business GmbH. Guests included Fraunhofer IEM, Miele & Co. KG, MIDA, MDEC, InvestKL and Tonasco Malaysia Sdn Bhd.

7-11
November

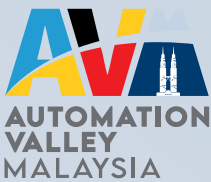
Biogas Conference and B2Bs with Optimisation Technologies from Germany

MGCC successfully conducted its first physical conference after the pandemic on bioenergy with over 100 participants. Experts from both Germany and Malaysia presented their technologies and know-how. Close to 60 individual B2Bs were conducted between the German solution providers and their Malaysian counterparts. This project was supported by the German Ministry of Economic Affairs and Climate Action (BMWK).

Intercultural training

As the bridge between Malaysian and German businesses for over three decades, MGCC's deep understanding of both countries has enabled it to impart beneficial cultural knowledge to enhance business relations and improve workplace communication.

MGCC was engaged by a German multinational manufacturing company to conduct intercultural trainings for its staff. The exercise was first conducted for staff in Malaysia, where one-on-one interviews were held privately to ensure anonymity and put interviewees at ease. The training was so successful to the point it was expanded to Germany where a four-day session was held for over 50 staff in Q4. Following this, MGCC was engaged to organise regular intercultural training for their German and Malaysian staff members.



Automation Valley Malaysia

MGCC continued to promote Automation Valley Malaysia, a membership community and marketplace by MGCC and Digital Penang, among multipliers and successfully welcomed seven new members in 2022 which included prominent organisations and agencies such as MIDA, the Port Klang Free Trade Zone, Malaysia IOT Association and Sefa University of Amsterdam. A virtual soft launch took place on 15 March 2022 to invite organisations involved in robotics, artificial intelligence and other automation-related technologies to be a part of this platform that will accelerate Malaysia's automation industry. The soft launch was officiated by Dato' Abdul Halim Hussain, Penang State Exco for Domestic & International Trade, Consumer Affairs & Entrepreneurship Development and the event received positive coverage from media outlets.

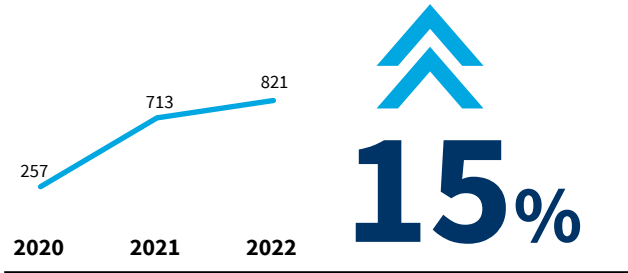


Trade fairs

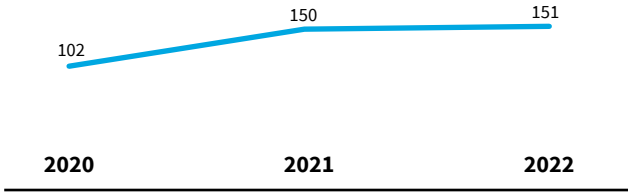
As the representative of major trade fairs in Germany, mainly in the sectors of waste management and water technology, construction, machinery and equipment as well as railway solutions, MGCC continues to be the touchpoint for Malaysian businesses wanting to exhibit or visit these crucial marketplaces to grow their business.

Although the year started at a sluggish pace, trade fair tickets picked up eventually and even recorded an increase in trade fair visitors from Malaysia, especially in construction and machinery, although visitor numbers have yet to reach pre-pandemic levels.

Corporate services



TOTAL ENQUIRIES HANDLED

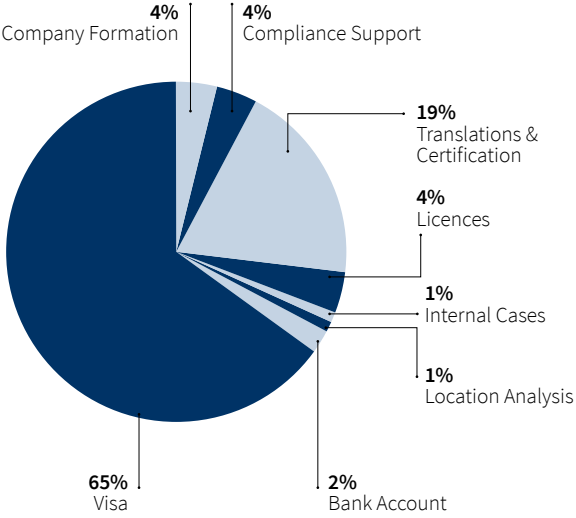


TOTAL VISAS PROCESSED

- 2**
- PLS@MYXPATS
 - DE RANTAU PASS

NEW VISA SERVICES

Percentage of Completed Cases as of December 2022



The Corporate Services team continued to stay agile as they navigated shifting rules and regulations during Malaysia’s three phases of lockdowns and beyond. The team served clients and members by undertaking often tedious and complex visa application processes and other immigration-related matters.

When the Malaysian borders reopened on 1 April 2022 to international travellers, the department’s core service of visa application assistance for employment passes, dependant passes, residence pass talent, appeals and follow-ups and professional visit passes for investors, business travellers and technicians remained in high demand.

Another feather in the department's cap was handling the first SIRIM and SPAN approval in environmental technology.

With a keen eye for identifying and fulfilling gaps in the market, Corporate Services offered two new visa services in 2022. In Q3, it took on the permission to work for urgent/critical works or PLS@MYXpats pass applications which are expected to increase as the pass allows companies to send technical experts and service engineers to Malaysia without having to be registered at any immigration platform such as ESD and MDEC. In Q4, Corporate Services acquired its first client for the DE Rantau Pass, a newly implemented digital nomad visa programme by the Malaysian government to address the talent shortage.

In addition, requests for licence applications further increased while other frequently requested services include translations and certifications, assistance in customs matters and compliance support.

In total, MGCC successfully solved 821 enquiries, a 15 per cent increase from 2021, on the investment climate in Malaysia, suitable corporate set-ups, general market information, market-entry, suppliers, legal reliability, customs procedures and tax (in particular withholding tax, together with the Accounts Department).

German Business Centre

Our German Business Centre has fully furnished offices for every budget from open workplaces and closed office space to weekly and daily rental, which includes security service, electricity and air conditioning, telephone line, unlimited internet access and access to network printer, fax machine and copier.

Primarily aimed at but not confined to German SMEs that want to establish a presence in Malaysia, the GBC provides direct access to MGCC and Germany Trade and Invest (GTAI), where tenants can obtain valuable information about the market situation in Malaysia and our excellent connections to the institutions of German foreign trade promotion and Malaysian institutions. Our subtenant GTAI is a German subsidiary of the Federal Ministry of Economic Affairs and Climate Action (BMWK) in Berlin. It provides official reports on the economies of Malaysia, Singapore and Brunei to the German government.

In Q1, the GBC had six vacant offices out of nine but these vacancies were quickly filled up by Q3, which only had one vacant office. Additionally, nine out of 14 workstations were occupied, translating to an occupancy rate of 80.77%.

This increase proves that demand for boutique office spaces is there and having subtenants mean that our investment in the Chamber's office space is profitable.

Being right at their doorstep means that GBC tenants continue to approach MGCC about other services, particularly related to visas, licences, compliance support, company formation, payroll and accounting services.

80.77%

TOTAL OCCUPANCY RATE AS OF 31 DECEMBER 2022



Payroll & accounting services



23  **21% INCREASE FROM 2021**

PAYROLL CLIENTS

26% 

PROFIT GROWTH FROM 2021

The Accounts Department plays a pivotal role by offering their expertise in tax solutions and complete book-keeping services for German clients in Malaysia by taking the guesswork out of statutory requirements that can be complicated to decipher. The department assists its 31 payroll and accounting clients combined to oversee payroll processing, tax clearance services for expatriates departing Malaysia, annual tax returns as well as liaising with local auditors and tax agents.

Tax resolution experts

In early 2022, the Accounts team was kept busy with assisting payroll clients to stay compliant by submitting Form E 2021 to the Inland Revenue Board (LHDN). It then resolved the pending case of the official representative of GTAI's tax refund issue from LHDN.

Maintaining a healthy payroll

The department also updated changes in its payroll processing for clients when the Employee Provident Fund (EPF) reverted to the old statutory rate of 11% in July 2022 and in September 2022 when PERKESO (Social Security) introduced a new contribution tier whereby RM5,000 is the new ceiling-based salary for both SOCSO (Social Insurance) and EIS (Employment Insurance). The payroll system was updated to ensure the new rates were reflected in the Chamber's payroll processing to avoid any claims by the authorities both internally as well as from our clients.

Membership services

2022

55  **77% INCREASE FROM 2021**

NEW MEMBERS

26

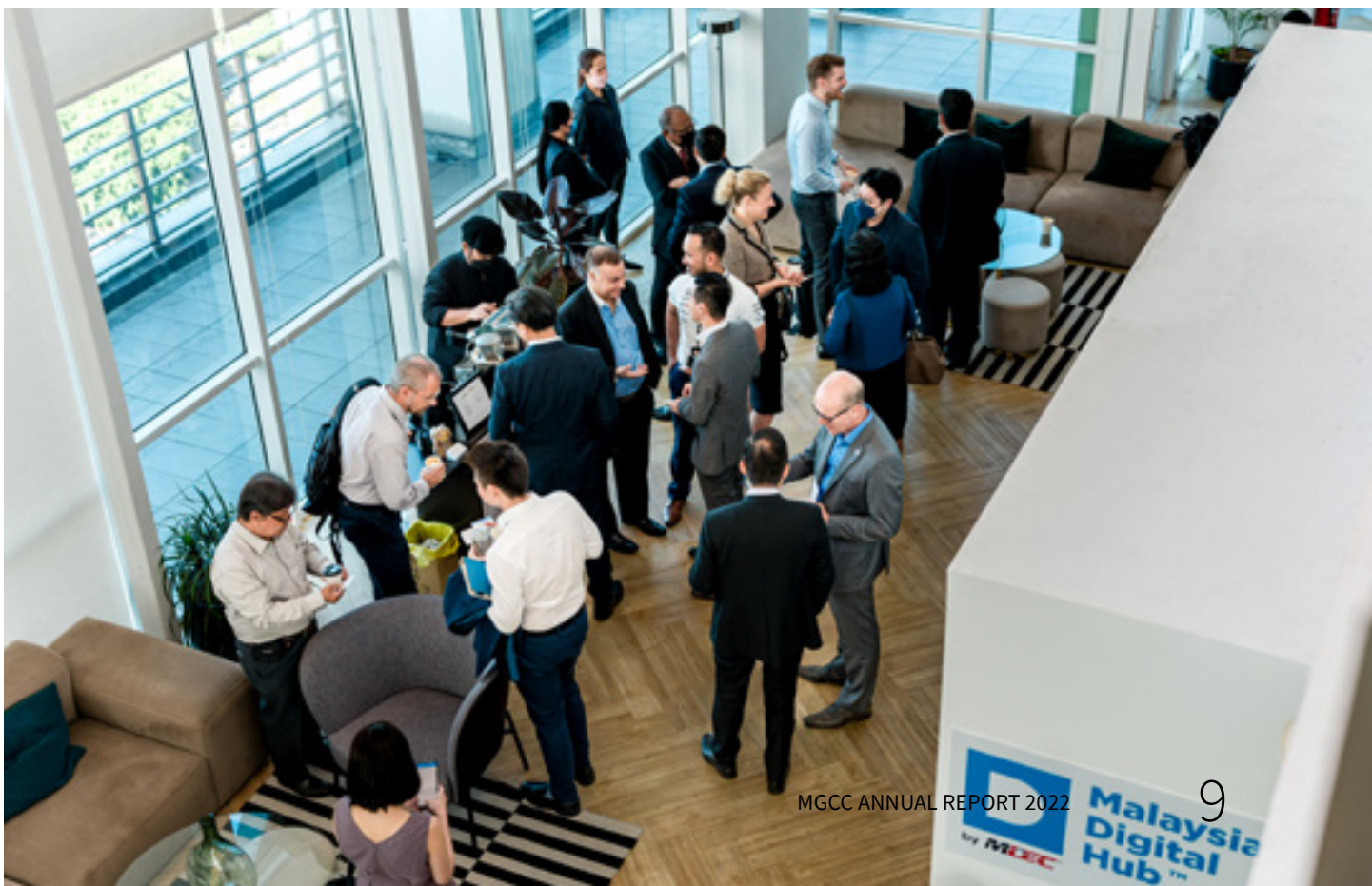
PREMIUM MEMBERS - NEW RECORD

RM191,238

EARNED FROM PROMOTIONAL SERVICES

Q1 recorded 378 members and by 31 December 2022, MGCC had a total of 407 members. The Chamber welcomed a total of 55 new members in 2022 and bade farewell to 24 members who resigned. Compared to 2021, 2022 recorded a 77% increase in new sign-ups and a 22% decrease in resignations. Despite the pandemic, the Chamber continued to see a decline in resignations. 2022 witnessed the highest number of new members in three years and the lowest number of resignations in five years. While this

trend can be attributed to the opening of up the Malaysian economy and international borders, it is also indicative of the Chamber's ability to pivot by introducing new services and events, streamlining communication, reorganising our database and adopting a personalised approach with members as much as possible to become a constant presence in the face of continuous change.



An exclusive club

Our premium members belong to an exclusive circle that offers them recognition and privileges including unparalleled visibility for their brand throughout our network. Access to exclusive events such as our Premium Members Luncheon gives them a unique opportunity to meet and exchange views with key business leaders and high-level decision-makers.

We would like to thank our premium members for their continuous support in helping the Chamber forge stronger bilateral ties between Germany and Malaysia.

2022 also marked a milestone for the Chamber as we ended the year on a high note with a record number of 26 Premium Members since this top-tier category was introduced in 2019.



Membership relations

Although the SOPs were relaxed throughout Q1, the Omicron variant impacted meetings and as a result, many face-to-face meetings were postponed or cancelled but this quickly sprung back to normal by Q2 and MGCC was able to take part in trade shows.

MGCC were exhibitors at the Metaltech & Automex Hybrid Exhibition and the International Medical Exhibition and Conference (IMEC EXPO 2022), a premier event for medical industries in Asia. On top of boosting brand visibility, these events contribute to further populating our database, sell our services and recruit new members.

Meeting members in their environment is a key part to keep interaction alive and as a result, MGCC visited 29 companies in 2022. These visits not only enhance relations but they help the Chamber keep track of active members and their participation in events, sponsorship and GDVT, should they want to sign up as a training company. An activity list tracks this and indicates inactivity which prompts the Membership Manager to visit these members. This personalised strategy is successful in that inactive members became more active following these visits in the form of becoming a speaker at the Tuesday Club and attending the Chamber's social events to network.

Promotional services

Organisations are constantly seeking avenues to display their brand where possible and the Chamber has curated a range of promotional activities for members to enhance their presence over the years.

Some initiatives include the sole sponsor concept for the Tuesday Club, an Early Bird Promo campaign and there was an eagerness to sponsor the Chamber's signature business and social events such as three sponsors for the 2nd German-Malaysian Business Forum and 10 sponsors for Oktoberfest.

Companies also seemed to respond positively to boutique, customisable packages rather than larger advertising commitments and this was evident through the Chamber's ad hoc billboard promotion for the office's reception area which was a success following eight sign-ups.

Event services

GERMAN UNITY DAY

It was an undertaking of many firsts for MGCC when we assisted the German Embassy in Kuala Lumpur for its Day of Germany Unity celebrations in 2022. MGCC organised a special climate change exhibition, a first for the Embassy, featuring 17 companies who presented their green innovations to 650 high-level guests. The occasion also marked MGCC's maiden event management service which received positive feedback from exhibitors and guests.

DIGITALISATION AND SUSTAINABLE SUPPLY CHAINS IN EUROPEAN-MALAYSIAN TRADE

Cargodian and MGCC hosted a webinar to unpack new requirements born out of the Supply Chain Due Diligence Act that will impact European companies and their suppliers in Malaysia in a move to foster transparency and accountability to safeguard human rights and the environment. The session also offered insights into digital solutions and innovations that help trading partners overcome challenges in modern trade.

Membership activities

After more than two years of virtual events, physical events were back in full swing once all restrictions were lifted in Malaysia albeit with caution.

In 2022, we held 40 events which were attended by 1,679 participants. All events reverted to physical format and our events team took things to new heights by securing several high-profile figures from the government. By Q4, the mask mandate for outdoor and indoor spaces was lifted resulting in overwhelming turnout for the Chamber's social events such as Oktoberfest, our Sundowner and the year-end Jingle & Mingle party, although it is important to note that many still choose to mask up in enclosed spaces.

40

EVENTS

1,679

PARTICIPANTS

100%

OF MEMBERS SURVEYED SAID THEY WERE SATISFIED WITH OUR EVENTS

65.7%

PREFER A MIX OF PHYSICAL AND VIRTUAL EVENTS

PREMIUM MEMBER BUSINESS LUNCHEON

The Chamber hosted four Premium Member Business Luncheons last year featuring several high-profile guest speakers such as Datuk Yasmin Mahmood, digital economy transformation global thought leader, Faroze Nadar, UN Global Compact Network Malaysia & Brunei executive director, Sharimahton Mat Saleh, MATRADE deputy CEO (Export Acceleration) and political scientist Professor Wong Chin Huat.



THE TUESDAY CLUB

Our monthly event continued to be a hit among members and we hosted 14 Tuesday Clubs in 2022 with a total of 306 participants. The major pull of this event is a diverse range of specially-curated topics that directly affect

our members' business operations in Malaysia. These include Budget briefings, political and economic analysis, tax and policy changes, new legislation, immigration, human resources, employee wellbeing and many others.

SUNDOWNER

Over the years, MGCC's after-work cocktail networking event has become a signature affair that keeps attracting members. In total, the Chamber held five Sundowners in 2022. Some highlights include bringing the beloved event to Penang which was a hit with members up north and a special art sundowner featuring the works of rural Malaysian children and young adults. Not to forget, MGCC collaborated with Mercedes-Benz and Hap Seng for its year-end Sundowner that received positive feedback.



INTERCHAMBER COLLABORATIONS

As a foreign chamber in Malaysia, it is important for MGCC to constantly collaborate with its fellow bilateral chambers from other countries. MGCC kicked off the year with a webinar on “Investing in employee wellness to boost employee engagement” and ended the year with another webinar, “Unpacking the general election: What’s at stake for Malaysia’s future”. Another interchamber event that has grown to become a beloved tradition is the Ladies Sundowner that is held every March in conjunction with International Women’s Day.

IGNITION 1972-2022: CELEBRATING 50 YEARS OF THE 8 SAMURAI

In August 2022, a tri-chamber event, IGNITION 1972-2022 was held between MGCC, the American Malaysian Chamber of Commerce (AMCHAM) and the Japanese Chamber of Trade & Industry, Malaysia (JACTIM) to commemorate 50 years of the 8 Samurai, eight founding companies in Penang that sparked the island’s industrial journey. The intimate but high-level event was attended by the chief minister of Penang, Chow Kon Yeow and the ad hoc decision by MGCC to invite Penang-based media outlets to cover the event resulted in significant press coverage.

ANNUAL GENERAL MEETING 2022

It was an occasion like no other when MGCC had not one but two VIPs from the government, Selangor Chief Minister Datuk Seri Amirudin Shari and the Ministry of International Trade and Industry (MITI) deputy secretary-general Datuk Seri Norazman Ayob at the 2022 AGM. Amirudin chaired a dialogue session with our Premium Members before his keynote address while Norazman led a robust discussion on the Malaysian government’s initiatives to attract foreign investment. The presence of these prominent figures combined with a platform for members to exchange views for best solutions made the AGM a memorable event.

2ND GERMAN-MALAYSIAN BUSINESS FORUM

Price hikes, delivery delays, logistic and production challenges. These were just some hurdles that businesses worldwide had to overcome when the pandemic disrupted supply chains. “Weathering the Storm of the Great Supply Chain Disruption” was the main topic of the Chamber’s second German-Malaysian Business Forum, held on 19 May 2022, where experts and industry captains came together to share insights on manufacturing and supply chain solutions for this continuous challenge in the two-hour session. Attended by 45 participants, the forum was sponsored by the Port of Tanjung Pelepas, Beckhoff Automation Sdn Bhd and Infineon Technologies (Malaysia) Sdn Bhd.

THE FUTURE OF HYDROGEN GROWTH IN MALAYSIA

A vital key in enabling the energy transition, the Future of Hydrogen Growth in Malaysia was held on 14 September 2022 to discuss the many initiatives taken by the Malaysian government towards developing the industry such as the Hydrogen Road Map and the gaps that need to be filled for Malaysia to become a hydrogen hub. The keynote address was delivered by Datuk Ts Dr Mohd Nor Azman Hassan, Deputy Secretary General (Technology Development), Ministry of Science, Technology and Innovation (MOSTI). The five-member panel were subject matter experts from Siemens Energy, Gentari Hydrogen Sdn Bhd, the Malaysian Association of Hydrogen Energy (MAHE), Linde Engineering and MIDA.

OKTOBERFEST

After more than two years of lockdown, a fun-filled Oktoberfest was hosted, marking the start of the Chamber’s signature social event. Bringing a slice of Bavaria to Kuala Lumpur to some 500 guests was no easy feat from finding the perfect venue to making sure the post-pandemic high cost was not passed on to members. In the end, it proved to be a financial success and a milestone that was made possible thanks to our sponsors, Lufthansa, Allianz, Coara Solar, Deininger, Klose, Lisega, Leschaco, MAN Truck & Bus, TÜV SÜD and event partner GSSKL.



Scan to watch our Oktoberfest video

JINGLE & MINGLE CHRISTMAS PARTY

In true fashion of the season of merriment, the Chamber collaborated with BMW Group Malaysia and Millennium Welt Sdn Bhd for 2022’s year-end holiday party on 9 December 2022. The event gathered around 100 guests and on top of mingling and networking, the highlight of the night was a slew of exciting lucky draw prizes, including the grand prize of a roundtrip ticket to Germany courtesy of Turkish Airlines.



Scan to watch our Jingle & Mingle Christmas party video





Calendar of events in 2022

19 January 2022	InterChamber Webinar: Investing in employee wellness to boost employee engagement
26 January 2022	New Year's Rendezvous
8 February 2022	The Tuesday Club – Visa & Immigration Changes
17 February 2022	[MGCC-HSBC] Economy & FX Outlook for Malaysia
22 February 2022	The Tuesday Club – Customs' Voluntary Disclosure Program
3 March 2022	New Member Breakfast
8 March 2022	The Tuesday Club – Foreign Source Income: What businesses should look out for?
15 March 2022	Automation Valley Malaysia Virtual Soft Launch
22 March 2022	The Tuesday Club – Women and Leadership: Is your company ready to #BreakTheBias?
23 March 2022	InterChamber Ladies Sundowner
29 March 2022	The Tuesday Club – Supply Chain Law: What are the risks for German companies & Malaysian suppliers?
1 April 2022	Premium Member Business Luncheon wt. Yasmin Mahmood
12 April 2022	The Tuesday Club – Malaysia's State of Play: What next after Johor poll?
10 May 2022	The Tuesday Club – Dismissal/Retrenchment Issues: How to deal with legal complaints from employees?
19 May 2022	2 nd German-Malaysian Business Forum: Weathering the Storm of the Great Supply Chain Disruption
25 May 2022	RWE Event: Growing Green: Decarbonising the Energy Sector. What are we missing?
9 June 2022	Sundowner
14 June 2022	The Tuesday Club – Transfer Pricing Audits: Find out the recent measures taken by IRB
14 June 2022	ACHEMA 2022 Briefing Session
16 June 2022	New Member Breakfast
21 June 2022	Premium Member Business Luncheon wt. Faroze Nadar
23 June 2022	AGM + Networking
5 July 2022	The Tuesday Club – Global Economic Situation: What are the prospects moving forward?
5 August 2022	IGNITION 1972 - 2022: Celebrating 50 years of the 8 Samurai
9 August 2022	The Tuesday Club – Human-Centric Lighting: Why quality lighting is important for employees?
26 August 2022	Penang Sundowner
6 September 2022	The Tuesday Club – Organisational Change: How can leaders drive holistic and sustainable change effectively?
7 September 2022	Special Art Sundowner

14 September 2022	Malaysian Hydrogen Industry Outlook
20 September 2022	The Tuesday Club – International Data Transfers: How can international businesses ensure compliance?
26 September 2022	Premium Member Business Luncheon
11 October 2022	The Tuesday Club – German Supply Chain Duty of Care Act: What should companies know?
15 October 2022	Oktoberfest
17 October 2022	MGCC x Cargodian – Digitalisation and sustainable supply chains in European-Malay trade
27 October 2022	InterChamber Webinar: Unpacking the general election: What's at stake for Malaysia's future
15 November 2022	The Tuesday Club – Malaysia Tax Budget 2023: Riding the Post-Pandemic TIDE
17 November 2022	Sundowner
25 November 2022	New Member Breakfast
30 November 2022	Premium Member Business Luncheon
7 December 2022	Jingle & Mingle



German Dual Vocational Training (GDVT)



Classroom learning combined with real world workplace learning is an education experience unlike any other and MGCC's GDVT programme is the first choice when it comes to TVET. As an area that is receiving growing attention due to the need to skill and upskill the next generation of workforce, GDVT provides school leavers with the necessary practical skills to carve a long-term career path with participating companies.

36



**16%
INCREASE FROM 2021**

MECHATRONICS APPRENTICES IN PENANG

14

INDUSTRIEMEISTER MECHATRONICS CANDIDATES

37

GDVT MECHATRONICS GRADUATES

GDVT Mechatronics 2022 Penang intake

In September 2022, GDVT welcomed a total of 36 apprentices who signed up for GDVT Mechatronics in Penang and are now starting their journey at the Penang Skills Development Centre together with B. Braun Medical Industries, Osram Opto Semiconductors, Robert Bosch, CIBA Vision, BBS Automation, and BAUER Equipment as a training company. These apprentices will undergo three and a half years of apprenticeship to master their technical and managerial skills.

The first-ever 100% German Industriemeister Mechatronics programme in the world

14 students became pioneers of the newly-launched Industriemeister Mechatronics programme, a highly recognised level of German TVET. Not only is it the first-ever in Malaysia but also the first-ever to be implemented completely according to the German structure outside of Germany! The programme is an unprecedented opportunity for Mechatronics students to be in Malaysia but enjoy a 1:1 transfer of the German module where they will learn the identical curriculum, sit for the same exam and undergo the same training as their peers in Germany. The collaboration between MGCC, B. Braun Medical Industries Sdn Bhd and the Penang Skills Development Centre (PSDC), culminated in a launch event in January 2022 and was covered by multiple media outlets including *Business Today*, *The Sun Daily*, and by Invest Penang.



PSDC's 27th GDVT Graduation Ceremony and GMI's 28th Convocation

On 10 September 2022, 37 apprentices of the July 2018 intake in Penang successfully graduated from GDVT as Mechatronics technicians while 12 apprentices in Kuala Lumpur followed suit on 20 December 2022. The 49 graduates were all awarded the MGCC and Department of Skills Development (JPK) Advanced Skills Diploma (NOSS Level 5) certification. This marks the most number of Level 5 graduates which is the highest TVET skill certification in Malaysia.



IHK Kassel-Marburg and ALMO-Erzeugnisse Erwin Busch GmbH delegation visit

The GDVT department welcomed a delegation from the IHK Kassel-Marburg and ALMO-Erzeugnisse Erwin Busch GmbH. The IHK Kassel-Marburg is our IHK partner for the Industriemeister Mechatronics programme and works closely with GDVT to ensure that the adaptation of the programme conforms to Germany's Dual Vocational Training standards. The delegates visited B. Braun Medical Industries Sdn Bhd and PSDC in Penang for a knowledge-sharing session on best practices followed by a roundtable discussion with other GDVT training companies. The visit was crucial for continuous quality assurance vetted by the cooperation partner and simultaneously raises the awareness of the GDVT programme.

Communications



105

MEDIA MENTIONS

RM1.7 mil

PR VALUE IN 2022

Media engagement

The Chamber received 105 media mentions across print, online and broadcast media in 2022, recording a PR value of RM1.7 million. The Chamber's earned media coverage was marked by several prominent features including three BFM89.9 interviews where one of which sought Executive Director Daniel Bernbeck's views on the newly-appointed Anwar Ibrahim administration and what foreign firms hope to see from the new government. As Malaysia's largest European trading partner, the AHK World Business Outlook Fall report on German companies' positive take on operating in the country was also well-received by media outlets.

The Chamber also appeared in a foreign media outlet, the Cantonese version of *Voice of America*, for an article on China's strict zero-Covid lockdown and its impact on the supply chain. 2022 started off strong with the Automation Valley Malaysia soft launch that was well received by the media. MGCC also initiated press invites for the IGNITION 1972-2022 event in Penang that commemorated 50 years of the 8 Samurai founding companies that sparked the island's industrialisation journey. The celebration was covered positively by Penang mainstream and state media.

Social media

A crucial space for any organisation, MGCC gained 1,747 new followers on LinkedIn in 2022, an increase of 4.7% as compared to 2021. By 31 December 2022, the Chamber recorded 5,980 followers on LinkedIn. The Chamber garnered a total of 560,000 impressions which is 91% higher than in 2021. Facebook visitors also grew to 377 followers, an increase of 154.7% since the end of 2021. A standalone Instagram page for GDVT serves as a key platform to enhance marketing efforts and increase student outreach as a way of creating awareness about the benefits of German TVET as a further education path. GDVT's best-performing post on social media achieved the highest reach of 126,112 viewers with 6,505 clicks. The Chamber also adopted the social media management tool Loomly to further streamline content creation and planning for all of the organisation's social media accounts in a singular platform.

91% 

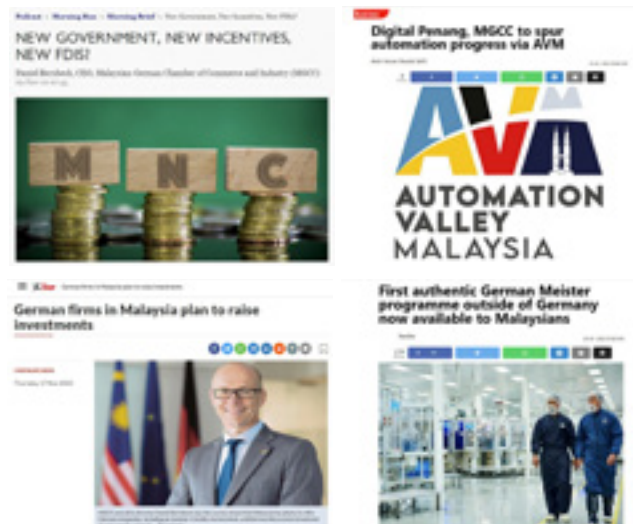
MORE LINKEDIN IMPRESSIONS THAN 2021

154.7% 

GROWTH IN FACEBOOK FOLLOWERS FROM 2021

Digital marketing

MGCC continued to ramp up its digital marketing efforts including a redesign of the NewsLink newsletter, launch of the EventLink newsletter to promote the Chamber's events, trade fairs and member events. The team will next explore pay-per-click advertising such as Google Ads to drive sales and reach MGCC's marketing goals.





Website

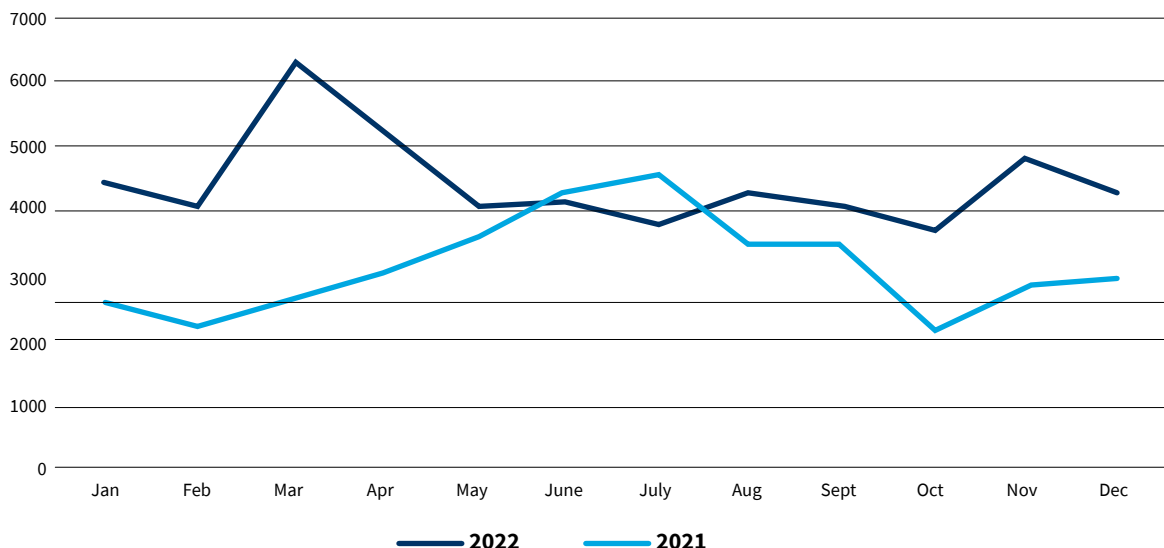
The Chamber has always played a key role in bringing vital information to members and the business community in Malaysia and Germany. In 2022, the MGCC website recorded a total of 51,980 unique visitors, an increase of 40.62% compared to 2021. We recorded the highest number of visits to our website in March 2022, hitting over 6,000 visitors in the month due to the announcement of Malaysia’s international borders reopening in April 2022. It was an approximate increase of 2,000 visitors, primarily from Germany that visited our COVID-19 resources page for the latest updates. In November 2022, our website traffic once again spiked to over 5,000 visitors this time primarily from Malaysians as our coverage of the GE15 attracted viewers

from Google. Two weeks prior to GE15, MGCC launched its #MalaysiaDecides campaign bringing readers daily election highlights. After polling day on 19 November 2022, the Chamber launched “Unpacked in 3 points”, a daily summary of post-GE15 key happenings in what was Malaysia’s most dramatic elections yet.

40.62%

INCREASE IN WEBSITE VISITORS COMPARED TO 2021

Website Visitor Comparison 2022 vs 2021



Podcast

In 2022, the Chamber aired 11 podcast episodes that were curated to reflect business trends in Malaysia, Germany and worldwide through two of the podcast's main formats: Malaysian Business Guide and Memberbytes. Two of the highest downloaded episodes were interviews with printers of the Malaysian ringgit Giesecke+Devrient (G+D) which received 191 downloads and Malaysia Digital Economy Corporation's (MDEC) new digital nomad visa called the DE Rantau pass which saw 109 downloads.

191

MOST DOWNLOADED PODCAST EPISODE

MGCC app

Launched in early Q3 2022, our MGCC app was designed as a pocket companion that lets members access the membership directory, register for events and read our newsletters conveniently on their devices, on the go. It's just one of the many benefits of being a member where exclusive access is at their fingertips!



Scan to
download the
MGCC app

Presspiegel

The MGCC Presspiegel or "press review" in English is a news roundup of important headlines from the past week that is published every Wednesday. It brings members a summarised overview of political, economic, industrial and social as well as cultural happenings in Malaysia in a digestible format so they can stay up to date with important information across the nation. The average open rate for 2022 was 32.41%. In a recent Membership Satisfaction Survey, 89.1% found the Presspiegel news summary informative. Members appreciated the mix of topics, comprehensive overview of happenings in Malaysia, saying it was a useful source of information for foreigners and those who are not familiar with Malaysian daily news.

Press services

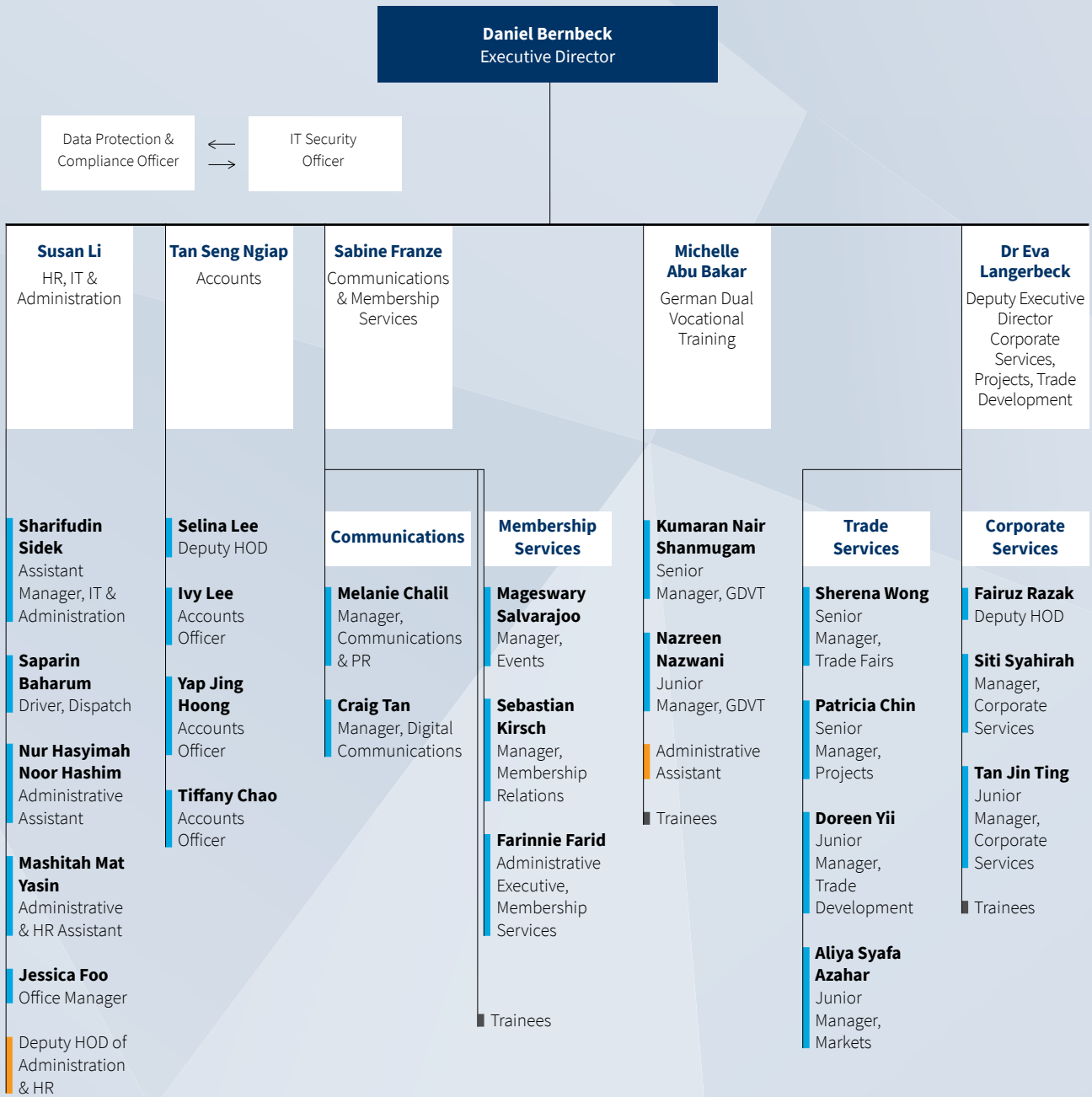
The Chamber was engaged by German trade show organisers DECHEMA to arrange a press conference and pre-event registration to extend invitations to Malaysian firms to attend the one-stop trade fair for the process industries ACHEMA. The press release's timely announcement as borders began to open up globally was well received, garnering a total PR Value of RM89,440.00 from 16 media appearances. MGCC will continue to promote its customisable and boutique press services to foreign-based clients who are seeking a tailor-made and affordable public relations package for ad hoc projects and announcements in Malaysia.



Inside MGCC

MGCC organisational chart

31 December 2022



Legend:

- Management of MGCC
- Head of Department
- Employee
- Trainees
- Vacancy

MGCC employee development plan

MGCC rolled out the Employee Development Plan on 1 August 2022 as a process to help individual employees in achieving their career or professional goals. This can be achieved by improving their skills for their current job and acquiring knowledge and skills for new roles or responsibilities in the Chamber. The plan can range from short-term goals to long-term goals depending on the capabilities and development of the employee. The initiative is a reflection of MGCC's workplace culture that encourages growth within the Chamber but also supports talents in their aspirations beyond their prescribed roles to foster greater career satisfaction and purpose.

Cultural competency workshop

The Corporate Services team extended their expertise of Intercultural Trainings to MGCC employees as an engaging way of enhancing cultural competency in a German-Malaysian business setting. Held in a casual, conversational manner, the session was aimed at further increasing cultural literacy among staff functioning in a bilateral chamber to find alignment between MGCC's two cultures – undeniably a key aspect in the Chamber's team values and workplace culture.

Management team training

The Management team participated in an internal training titled "Unleash Your Emotional Power Through A.I." on 4 October 2022. This training was aimed at helping the Management team unleash their inner strength as well as have a better understanding of the strength of others to further improve communication and teamwork among each other.

IT security and strategies

Due to multiple attacks on the cloud platform, Microsoft made it compulsory for all users to use the Two-factor Authentication and MGCC secured all employees' laptops and devices with the latest Net Frame update to prevent unnecessary login by potential hackers.

Harnessing the convenience of digitalisation

The Accounts team executed the usage of e-wallets for the very first time at our Oktoberfest event, after implementing cashless payment modes just before the MCO kicked in. Additionally, credit card payment using Stripe as a payment gateway was also introduced across all our events. Other digitalisation efforts include simplifying internal claims processes to maximise existing programmes.

Internal working groups

HUMAN RESOURCES

Members of this working group always had the vision of rolling out **service awards** following feedback and suggestion and in 2022, this finally materialised! Awards were presented to those who served for one year, five years and 10 years. All recipients were given a framed certificate and some sweet treats, while those who have been with us for five years and 10 years were awarded a cash reward. To close off a financially successful year, the HR Working Group with support from the MGCC management prepared a **care pack** for all employees consisting of German and Malaysian goodies. To reflect the season of giving, some items in the bag were purchased from two social enterprises, one of which supports single mothers. A **year-end luncheon** was also organised, marking the first gathering in two years since the pandemic and it was a rare occasion where the complete MGCC family was present to usher in the year-end holiday season.



PRODUCTS & SERVICES

As a working group that ideates new solutions according to market trends and needs, the Products & Services team added on a new service in 2022 to assist applicants with the PLS@Xpats pass. The new pass allows workers to enter Malaysia for 30 days for emergency situations where professionals are urgently required to conduct critical tasks under the social visit pass.

STRATEGY

After having developed MGCC's Mission, Vision, and Team Values in 2020, the working group took a creative break but reconvened again in mid-2022 to further push the Chamber's strategic agenda. In monthly sessions, the group established the framework for MGCC's long-term direction. The five-year plan is targeted to be completed in 2027 and zooms in on four areas:

1. Core Focus and Strategic Image
2. Financial Management
3. MGCC (Image, Marketing, Workplace Culture, Salary)
4. Digitalisation

Named #MajuMGCC27, the five-year plan ensures that other annual planning exercises of the Chamber such as the Annual Goals and Personal Development Goals for employees are

aligned with an overall strategy. It furthermore supports MGCC's vision of organisational excellence in times when business chambers as rather traditional organisations need to stay fit for the future.

THE STREAMERS

MGCC's podcast crew produced a total of 11 episodes in 2022 which were downloaded 846 times. A diverse range of topics were aired including the niche business of banknotes printing, running a heritage hotel post-Covid, business horror stories and investing tips in Malaysia. The podcast will undergo a facelift in 2023 for a more cohesive product that will incorporate the social and cultural complexities and nuances of doing business successfully in a melting pot like Malaysia.

DIGITAL BEEZ

There was a hive of activity from these busy bees who buzzed throughout the year to improve employee's digital knowledge and awareness. The Beez hosted their very first in-house event where the Tuesday Club's Women and Leadership session was livestreamed to members on 22 March 2022. Some highlights include four sharing sessions with colleagues, five Digital Beez's Digest newsletters and the group also provided technical support for all the Chamber's major events.



Financial reports

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 December 2022

	2022 RM	2021 RM
REVENUE		
Entrance fees and subscriptions	1,042,214	940,201
Trade promotions, fairs and direct mailing	2,436,829	2,007,266
Subsidies from DIHK, Berlin	3,105,380	3,407,034
Interest income	44,348	61,147
Other income	459,909	433,516
Membership activities	277,370	73,650
Gain on foreign exchange	55,176	35,943
Site analysis	126,613	59,872
Vocational education	703,992	558,771
	8,251,831	7,577,400
Less:		
EXPENDITURE		
Staff costs	3,872,715	3,241,262
Operational and administrative costs	3,228,930	3,132,531
Director's remuneration	1,131,225	1,272,403
	8,232,870	7,646,196
SURPLUS/(DEFICIT) FOR THE FINANCIAL YEAR	18,961	(68,796)

Outlook



Scaling new heights in 2023

After more than two years of pandemic-related seismic changes, businesses could not have asked for a better teacher to face the challenges ahead and prepare for the unexpected.

During this time, the Chamber's worth was magnified, further cementing our role as a crucial point of contact for vital information as well as being a voice for German businesses big or small to rally for a cause – in short, we are here for you in good times and in bad.

Despite the doom and gloom in headlines at the end of 2022 which included a looming recession, continued political disruption in Europe and growing tensions between China and Taiwan, there are positives all around and 2023 is off to a good start.

Malaysia has a new government, led by long-time hopeful Dato Seri Anwar Ibrahim who is committed to fighting graft and is dedicated to presenting Malaysia to the global community as a stable and transparent investment destination.

This is best exemplified by President Frank-Walter Steinmeier's visit in February, that signals strong ties between Malaysia and Germany, its largest European trading partner, and the continuous efforts to enhance both country's friendship. During the President's visit, the Chamber hosted a business roundtable touching on the challenges and opportunities of the Malaysian-German relationship. TVET also received significant mention during President Steinmeier's trip, where he identified a gap in

vocational training for youths. This is an area of expertise that the Chamber's GDVT department can contribute to and our team is ramping up efforts to promote the programme nationwide.

Exciting times lie ahead for MGCC as a five-year plan has been carved out as part of the organisation's strategy and this involves alignment exercises of the Chamber's Annual Goals and personal development plans. The launch of #MajuMGCC27 will serve as a guiding beacon to steer the Chamber towards its ambitions of a progressive bilateral chamber.

The Chamber also has a full calendar of events curated according to global themes that will shape businesses from the importance of ESG to ensure supply chain robustness to the E&E sector as a key contributor to the Malaysian economy. Not forgetting, social affairs such as our signature Sundowner events and Oktoberfest that will take place towards year end.

We hope to see you there and if we haven't crossed paths, our doors are open and we look forward to meeting you!



Imprint

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International SOS (M) Sdn Bhd

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REPORTING PERIOD

January – December 2022

PICTURE CREDITS

Unsplash : page 8

All other pictures are MGCC's own.

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The Malaysian-German Chamber of Commerce and Industry (MGCC), or AHK Malaysia as it is known in Germany, is the official representative of German industry and trade in Malaysia. Established in the year 1991, MGCC has since been a strong and reliable partner for its members and clients with a widespread, result-oriented range of services and a successful track record.

www.malaysia.ahk.de

