



MGCC[®] Annual Report 2020

Powering Through The New Normal Together



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



MGCC ANNUAL REPORT 2020:

Contents

01	<u>Message from the CEO</u>
02	<u>The year in numbers</u>
03	<u>Services</u>
10	<u>Membership</u>
17	<u>German Dual Vocational Training (GDVT)</u>
19	<u>Communications</u>
21	<u>Administration and finance</u>
25	<u>Outlook</u>

Message from the CEO

Dear members of MGCC,

The year 2020 was an extraordinarily disruptive year. The COVID-19 pandemic has plunged the whole world into a global health crisis that saw the loss of many lives as well as affecting many livelihoods. We have witnessed unprecedented lockdown periods which led to the collapse of supply chains and economies all around the world. Malaysia was no exception to that and, according to analysts, the negative impact on the nation's GDP is expected to last well beyond 2022.

When the first Movement Control Order was enacted in March 2020, MGCC had to adapt quickly in order to safeguard the safety of our staff as well as to maintain our business plans for the year. To help our member companies cope with the challenges under COVID-19 restrictions, we started implementing an intense communication and a comprehensive range of services to help them navigate around new standard operating procedures (SOPs) and the required administrative measures.

Businesses all over Malaysia are in the same boat simply trying to survive and sustain during this pandemic. MGCC has been part of a very powerful cooperation with other international Chambers and associations to jointly advocate the interests of our members. Unfortunately, we witnessed several German businesses shutting down or exiting Malaysia because of this situation. Throughout this crisis, the lack of clarity and unambiguousness of the applicable rules and regulations has had a major negative impact on the business sentiments as well as investors' decisions. Even though vaccines became available at the end of 2020, the situation has not yet improved much.

Southeast Asia, which has been quite successful managing the crisis in the beginning of this pandemic, has recently been struck by a new major wave of infections with no end in sight. The slow distribution of vaccines will jeopardize all efforts taken by the lockdown measures as the high number of infections increase the risk of introducing new variants and reduce the possibility of herd immunity. As international travel remains highly restricted, international investors are still very cautious and this does not help the recovery of the global economy. Experts foresee at least another 24 months of crisis aftermath until we might face something what could be called a "new normal".

Over at MGCC, we have learned to embrace the challenges of running a chamber during the pandemic and we will continue to innovate and evolve as an entity to best serve our member companies and clients. Economic recessions both locally and globally has also affected our membership numbers and revenues, but we prevailed by reinventing ourselves, offering new services at the highest possible standard and finding new ways to serve and to interact with our stakeholders throughout our network.

In our 30th year of existence, the pandemic has taught us a lot of valuable lessons that will continue to be with us for years to come. We will continue to work towards strengthening the bilateral ties between the German and Malaysian business communities as well as providing more value-adding services in the following year. We look forward to meeting all of you again soon and being able to celebrate the entry into the 4th decade as the Malaysian-German Chamber of Commerce and Industry



Daniel Bernbeck
Chief Executive Officer



The year in numbers

In 2020, the

**Corporate
Services
Department**

completed a total of

257

client cases.

MGCC organised

39

events

with over

1079

participants.

As of 2020,

MGCC

has

395

members.

MGCC

provided accounting
and payroll services to

19

establishments.



Over

50 Graduates

received the combined

MGCC & local certificate.

Market entry

The MGCC offers a comprehensive and flexible set of market services that can be tailor made for small and medium German companies that are looking into entering the Malaysian market. Market services include address lists, partner searches, market studies for private clients and short market reports. To further assist our clients establishing their business in Malaysia, the MGCC is also providing services to help with recruitment, payroll, accounting, and other necessary matters. The German Business Centre, located within the premises of the MGCC office at the heart of Kuala Lumpur, is a great starting point for companies to establish their presence in Malaysia. We have completed various Market Entry projects from companies in the sectors of industry 4.0, renewable energy, maritime industry, water industry, construction, household, toys, food supplements, oil and gas, furniture, food and beverage, premium snacks, confectionery as well as cosmetics.

While we received a substantial number of inquiries for our market entry services in 2020, the Coronavirus pandemic largely impacted most of our activities as the country went on a nationwide lockdown and the introduction of new government restrictions pertaining to business operations and travel. The global economic uncertainty has made a lot of companies wary of their financials which has led to lower foreign investments into the country and cancellations of projects.

Events & Activities (January - December 2020)

13 February 2020	Smart Business Opportunities – Taking Advantage of the Airport Berlin Brandenburg Region
19 May 2020	EUMCCI BizTalk #11 Our Women at the Workplace
3-7 August 2020	Energy Efficiency Through Digitisation – Solutions from Germany
21-25 September 2020	Water Industry – Solutions From Germany: Online Conferences & Business Matching
6-7 October 2020	Thuringian Online Business Mission to Malaysia

Thuringian Online Business Mission to Malaysia

The State of Thuringia, Germany, is a land of Business building on its tradition as a prime industrial location in the centre of Germany and of Europe. Investors from both Germany and abroad regard Thuringia as an economic hub characterised today by a broadly diversified set of business, ranging from the food industry to the automotive industry.

MGCC together with the State Development Corporation of Thuringia (LEG), which drives the development of Thuringia's technology and business environment, coordinated a digital Thuringian Business Mission to Malaysia from 6-7 October 2020 to explore the market and potential collaboration with Malaysian companies.



Market research

Business Partner Search

A fourth-generation family-owned wig company engaged the Chamber to search for potential business partners to manufacture medical wigs in Malaysia. Despite the pandemic, the Chamber managed to secure online meetings with several synthetic and human hair wig makers. The Client looks forward to their visit to Malaysia when borders open in the future.

Market Research

A well-known international provider of medical devices requested the Chamber for help to conduct customs research on importation of a medical device. The Chamber also helped a German exporter of used medical devices to compile a list of second-hand medical device importers in Malaysia.

Market Analysis

MGCC was contracted by its sister chamber the Singaporean-German Chamber of Industry and Commerce to conduct a market analysis on high voltage standards for a German luxury car manufacturer.

Distribution Partner Search

The global pandemic has brought much interest to Malaysia, the world's leading rubber glove manufacturer. The Chamber received numerous enquiries from Clients for support on procurement of rubber gloves from local suppliers. MGCC assisted a company to secure offers for nitrile gloves for export to Germany.



EU-PROJECTS

“Support for European Businesses in Southeast Asian Markets - Malaysia” (SEBSEAM-M), is a project which aims to support European SMEs entering the Malaysian market coordinated by the EUROCHAM (formerly known as EU-Malaysia Chamber of Commerce). It is currently in its seventh and final year (SEBSEAM Y7), well beyond its original five-year plan. SEBSEAM Y7 began on 1 September 2019 and will end on 31 August 2020.

For SEBSEAM Y7 MGCC has secured involvement in the following projects:

- (1) Market Study: Industry 4.0 in the Malaysian Market (April 2020)
- (2) EUMCCI BizTalk #11 Our Women at the Workplace. In collaboration with EUROCHAM, MGCC assisted on a webinar entitled “Our Women at the Workplace: Hiring Opportunities & E-Commerce”. The panel of female business leaders were handpicked by MGCC to speak on topics regarding employment opportunities and the future of the e-commerce industry amid the pandemic
- (3) Market Study: Perception, Policy & Results of Sustainability and Renewable Energy (June 2020)

RUBBER GLOVE REPORT

MGCC launched its digital sector report in May 2020 entitled, “The Malaysian Rubber Glove Industry – May 2020 Industry Snapshot and Address Listing”. A result of several similar enquiries during the COVID-19 crisis because of the need for PPE, the market report and address listing is made available for purchase on the MGCC website.



Corporate services

257

COMPLETED CLIENT
CASES

102

VISAS

28

MCO SUPPORT

21

COMPANIES

4

LICENCES

19

COMPLIANCE
SUPPORT

14

TRANSLATION/
CERTIFICATION

69

OTHERS

The Movement Control Order and travel restrictions not only affected governmental affairs but also MGCC's clients. To ease the burden of the business community, MGCC offered support in registering for exemptions to operate under the Ministry of International Trade and Industry (MITI), obtain entry as well as return permits, advised on applicable SOPs and applied for short-term business visas. Despite the pandemic, the year has seen a continued interest in investments into Malaysia, consultations on local regulations and general research information on business and trading activities by German companies in Malaysia. Key points in our service offering remain the same: providing assistance in establishing companies and offices in Malaysia, registration of local entities,

and representative and regional offices with the Malaysian Investment Development Authority (MIDA).

Likewise, acquiring work permits or other visa types for expatriate staff and their families, which are being handled by the Immigration Department and TalentCorp Sdn Bhd, and applying for business licences at different local councils continue to be sought after services. The service portfolio furthermore includes translations in German and English, applications for licences and government incentives on behalf of clients, and location analyses for potential production sites or changes of locations in Malaysia.

Accounting department

19

PAYROLL CLIENTS WITH APPROXIMATELY

44

EMPLOYEES

MGCC's accounts department continues to serve both internal accounting and external clients under Malaysian and German accounting standards as a service unit to our clients for Accounting and Payroll services. The services provided by Accounts department are complementary to the services offered by other departments as many clients use more than one of our service offerings following our approach of a "one-stop-center" for them.

MGCC's Accounts & Payroll services have remained resilient throughout 2020. There was zero (0) client terminating the respective services contracts with MGCC in 2020. Three (3) new payroll clients were acquired in year 2020, bringing payroll clients number to 19 in total.



German Business Centre

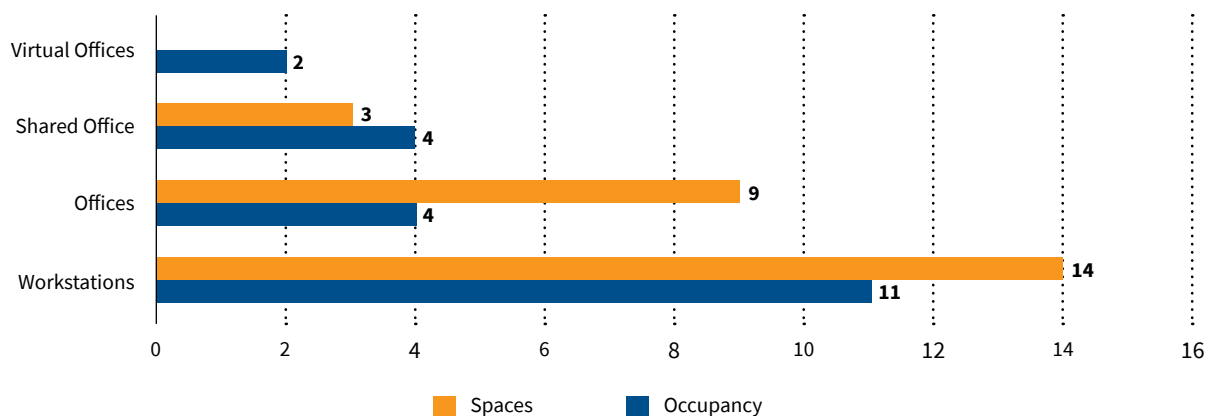
Established in 2010, the German Business Centre (GBC) offers professional, cost-effective and fully furnished office solutions ranging from up to six shared office spaces to six open workstations and nine individual office units. The GBC is good avenue for start-ups looking for co-working space with hourly or daily usage, good working atmosphere, strong WiFi, good coffee and opportunities for networking with other members of the business community in Kuala Lumpur.

TENANTS

Most tenants are either representative or regional offices in need of a registered office address depending on the requirements, budget, and size of the parent company. This demand reflects itself in the occupancy of the German Business Centre from January.

GBC's tenants continue to approach MGCC staff members regarding other services, particularly related to corporate services (visa, licences, opening of bank accounts, HR support, company formation, recruiting or payroll and accounting services).

Occupancy of Tenants as of 31 December 2020



Trade fairs

MGCC continues to represent four leading German trade fair companies: Messe München, Messe Berlin, Messe Nuremberg and Spielwarenmesse eG (Toy Fair). Furthermore, the Chamber represents other Germany trade fair companies on a project basis. Promotional activities for exhibitor and visitor acquisition during the reporting period were performed for the following international trade fairs:

Due to the COVID-19 pandemic, from March to December 2020, there weren't any physical trade fairs held in Germany. Some of the physical fairs were converted to virtual fairs. MGCC was involved in the marketing activities for the following physical and virtual fairs held in Germany and China:

Exhibitor and Visitor Acquisition for trade fairs held in 2020 physically and virtually

Messe München:

- ISPO Munich – 5 exhibitors and 18 visitors
- INHORGENTA – 2 visitors
- Free – 7 visitors
- IE Expo China – 4 visitors
- China Brew China Beverage – 2 visitors
- Bauma China – 4 visitors
- Ispo Shanghai – 1 visitor
- Analytica China – 1 visitor

Messe Berlin:

- ITB Berlin – 5 visitors
- IFA – 10 visitors & 3 journalists

NürnbergMesse

- Biofach – 1 exhibitor and 28 visitors
- Vivaness – 1 exhibitor
- Euroguss – 2 visitors

Spielwarenmesse eG:

- Spielwarenmesse 2020 -2 exhibitors and 44 visitors
- Insights-X – 13 visitors

Other promotional activity:

German National Tourism Board (GNTB)

MGCC was commissioned to organise an online Zoom webinar themed "Travel Destination Germany" on 15 October 2020 for the German National Tourist Board where the targeted participants were the travel agents, airlines, relevant association from the tourism industry. The webinar took place successfully with 98 participants attended.





Conferences and projects

Smart Business Opportunities

Taking Advantage of the Airport Berlin Brandenburg Region

In order to emphasise the advantages and potential of the German capital region and the Airport Region Berlin Brandenburg, Berlin Partner for Business and Technology and the Economic Development Agency Brandenburg, the economic development agencies for the two states, in cooperation with the Malaysian-German Chamber of Commerce, invited Malaysian companies to the event “Smart Business Opportunities – Taking Advantage of the Airport Berlin Brandenburg Region,” which was held at EQ-Hotel in Kuala Lumpur on 13 February 2020. The event was aimed at companies that wished to enter the German and European market, companies looking for alternative European locations after Brexit, and companies that wanted to learn more about one of Europe’s fastest growing regions.

Energy Efficiency Through Digitisation

Solutions from Germany

Under the Export Initiative Energy and the banner “Energy Solutions – Made in Germany”, the German Federal Ministry of Economic Affairs and Energy has been making an active contribution to the global fight against climate change while promoting the worldwide acceptance and use of sustainable energy solutions. By showcasing Germany’s technical expertise in the field of renewable energy and energy efficiency, the initiative facilitates business contacts between German companies and those from abroad. A large number of German companies are in the position to provide valuable practical examples of how energy efficiency can be enhanced through Digitisation and new I4.0 Technologies. German providers of efficiency solutions for industry have established themselves successfully on the global market.

Due to the coronavirus crisis worldwide which restricts travelling, MGCC coordinated an online Conference and Business Matching Event with a focus on “Energy Efficiency through Digitisation” in the first week of August 2020, offering Malaysian companies experience sharing, know-how transfer and individual business meetings with German solution providers from this particular field.

Meet German Companies with Products and Services in the Water and Wastewater industry

MGCC, in cooperation with German Water Partnership e.V., and supported by the German Federal Ministry of Economics and Energy conducted a digital business initiation trip from the German water industry to Malaysia from 21-25 September 2020 in a newly created online-format. This project aimed at showcasing some of the best of Germany’s solution and technology providers in the field of water supply and wastewater.

Due to the corona crisis worldwide which restricted (and still restricts) travelling, this digital business trip provided a great opportunity for Malaysian water companies to establish or intensify contacts with potential business partners in Germany in a very cost-effective way. Individual and tailored online-business talks with potential customers, cooperation partners and industry experts were organised for the participants.

Membership

Membership development

2018

39

NEW MEMBERS

In 2020, 39 new members joined the MGCC community, bringing the number to 395 members as of 31 December 2020. The introduction of the membership category “Premium Members”, a part of the new fee concept introduced towards the end of 2018, received a positive response from the get go. Throughout the year, 16 companies signed up for this new category, confirming that the Chambers efforts towards demand-driven and client-centred services are paying off.

Our Premium Members

a. hartrodt Malaysia Sdn Bhd, Allianz Malaysia Berhad, DefDevice Sdn Bhd, EQ Kuala Lumpur, Exyte Malaysia Sdn Bhd, Paul Hartmann AG, Infineon Technologies (Kulim) Sdn Bhd, International SOS (M) Sdn Bhd, Invest Selangor Berhad, Lufthansa German Airlines, Luther Corporate Services Sdn Bhd, Mercedes-Benz Malaysia Sdn Bhd, Malaysian Investment Development Authority (MIDA), REHAU Polymer Sdn Bhd, Sunway Medical Centre Sdn Bhd and Voith Paper Fabrics Ipoh Sdn Bhd.

2019

50

NEW MEMBERS

New Member Breakfast

The New Member Breakfast is a unique opportunity to meet new members and introduce MGCC’s services. We also look forward to hear members sharing their business activity and expectation from MGCC. The event is specifically designed to help the newly joined companies establish a firm footing in the MGCC community. Four (4) New Member Breakfasts were held in 2020 via physical event and virtual meetings.

2020

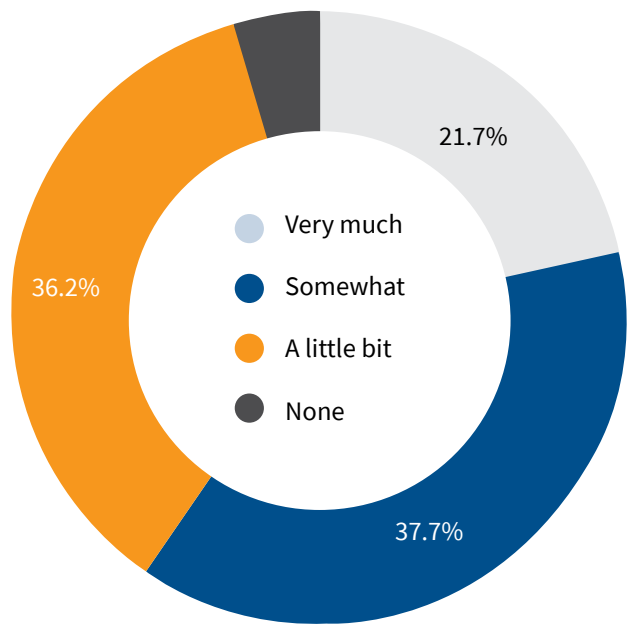
39

NEW MEMBERS

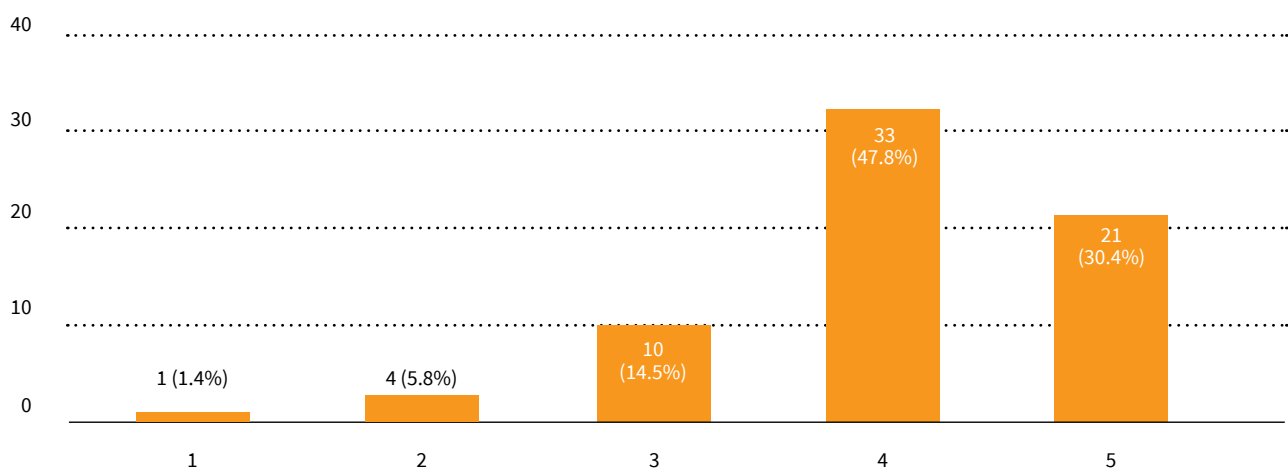


A membership satisfaction survey carried out in February showed that the satisfaction with the Chamber is generally good, with room for improvement.

How much value does the MGCC membership add to your company's / organisations business operations



Would you recommend a membership with MGCC to other business contacts?



Membership relations

For 2020 we continued to keep track of our member's activity at our events with the "Members Activity list" which we started in 2019. The list records the attendance of members at MGCC events (mostly webinars in 2020) and other types of activity, such as advertising. Through the list, 142 inactive members were identified. Which is an improvement from 159 the previous year. A focus on webinars enhances the reach of our events and enables the participation of members who are in remote areas. Moving into 2021, the focus will be on reconnecting with these members to become an active part of our community.

Membership events

39

EVENTS IN
2020

1079

PARTICIPANTS IN
2020

12

TUESDAY CLUB
SESSIONS



Membership activities

Due to the global COVID-19 pandemic, majority of our planned events had to be converted into an online format. However, that did not stop us from organising exciting yet fruitful events for the benefit of our members.

THE TUESDAY CLUB



Taking place regularly on the second Tuesday of each month, the event series aims to discuss current business topics and provide a platform for relevant dialogue. Subject matter experts have provided insightful

presentations on business outlook, economics, German transfer pricing as well as other business essentials in Malaysia. In 2020, we organised 12 sessions of The Tuesday Club, with 9 of them hosted online.

NEW MEMBER BREAKFAST

The New Member Breakfast is a unique opportunity to welcome new members to the MGCC office, show them around our premises and introduce them to the Chamber staff. The event is specifically designed to help the newly joined companies establish a firm footing in the MGCC community. New Member Breakfasts were held every quarter with the total of 4 for the year 2020. All sessions were performed online except for the first session of the year which happened prior to the Movement Control Order.

PREMIUM MEMBER BUSINESS LUNCHEON



MGCC hosted 4 premium member business luncheons online in 2020 featuring notable industry players such as Mr Abrar A. Anwar, Datuk Muhamad Umar Swift, Dato' Sri Idris Jala, and Ms Tricia Yeoh. Despite shifting to an online format, the reception was still encouraging and we received positive feedbacks from the attendees.

MGCC – GSSKL NEW YEAR'S RECEPTION

MGCC together with its Event Partner, German Speaking Society Kuala Lumpur (GSSKL) organised the MGCC – GSSKL New Year's Reception on 18 January 2020 for almost 100 guests. Members and business partners were cordially invited to gather at W Kuala Lumpur hotel for the kick – off event of the year. A warm welcome was given by Daniel Bernbeck, CEO of MGCC followed by Xander Wegscheider representing GSSKL. It was a pleasant atmosphere and perfect catching up after a long year- end break.

GRÜNKOHLESSEN

After 4 years of hiatus, MGCC was excited to organise Grünkohlessen together with event partner a. hartrodt (Malaysia) Sdn Bhd. The event was held on 21 February 2020 at a. hartrodt's ship-themed lounge for almost 70 guests. Hand-plucked Grünkohl (kale) from the open fields of Lower Saxony, famous "plop" bottles from Flensburger Pils and German clear spirit "Korn" was specially imported from Germany exclusively for this event. The event was sponsored by members companies Rieckermann (Malaysia) Sdn Bhd, LISEGA SE, Regional Office and Rödl & Partner.

WEBINARS

Because of the limitation set by the Movement Control Order, MGCC started offering webinars to our members covering various topics such as women empowerment, brand acquisition, digital tax, and banking. A significant number of the webinars were also dedicated to helping businesses tackling challenges imposed by the global health crisis. A total of 12 webinars were organised in 2020.

INTER-CHAMBER NETWORKING

On 24 August 2020, MGCC co-organised the Johor Briefing & InterChamber Networking with 6 other Chambers – Malaysian Dutch Business Council, Malaysian – French Chamber of Commerce and Industry, Malaysia Australia Business Council, British Malaysian Chamber of Commerce, Malaysian Spanish Chamber of Commerce & Industry and American Malaysian Chamber of Commerce. The agenda was consisting of briefing by the Johor Chief Minister in the afternoon for almost 200 people at Fraser Place. The briefing was followed by a networking session at Les Bouchons Puteri Harbour for 100 persons in the evening. The chamber also co-organised 2 virtual inter-chamber networking events together with several other European chambers that was held on 4 & 25 November 2020.

OUTLOOK EVENT (AVIATION)

This is 3rd year in a row where we organised a sector-based panel discussion combined with a targeted industry networking opportunity. This year's event was focusing on the aviation industry and it was held virtually with 40 participants attending the online event.

VIRTUAL CHRISTMAS COFFEE

Due to the pandemic, we ended the year with a Virtual Christmas Coffee event online on 11 December 2020. Almost 30 participants gathered via Zoom with their Santa hat, themed outfit and virtual Christmas background to celebrate the season together. To create a Christmassy feel, the participants was welcomed to the Zoom room with Christmas songs. The Christmas cookies delivery to all participants' tops the celebration mode. They were seeming to enjoy it while engaging with each other.



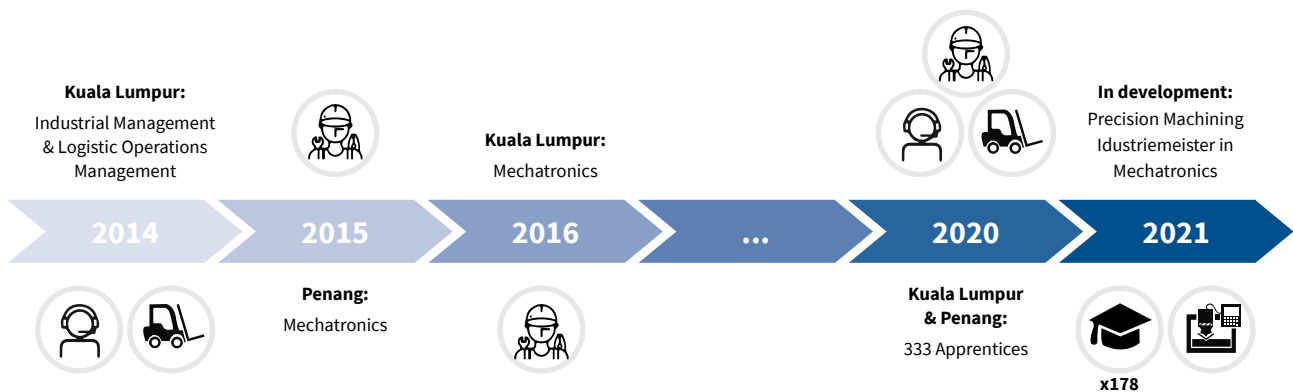
EVENTS (JANUARY – DECEMBER 2020)

18 January 2020	MGCC-GSSKL New Year's Reception @ W Kuala Lumpur
18 February 2020	The Tuesday Club. – Doing business in Malaysia by MGCC
21 February 2020	Grünkohlessen
25 February 2020	The Tuesday Club. – Economic Outlook 2020 by Standard Chartered Bank
10 March 2020	The Tuesday Club. – ItsNotOk by LeadWomen
27 March 2020	Business Continuity: Planning in times of crisis
2 April 2020	Webinar: Survival of Companies against the Impact of Movement Control Order in Malaysia
10 April 2020	Webinar: COVID-19 Impact on Businesses in Malaysia – Managing Liquidity & Restructuring
14 April 2020	Webinar: How MCO will impact workforce and what should employers do?
17 April 2020	Webinar: Business realignment & tax considerations during & post COVID-19
28 April 2020	Webinar: Impact of COVID-19 on financial reporting and internal controls
8 May 2020	Webinar: Zooming on business continuity and crisis management during and post-pandemic
12 May 2020	The Tuesday Club. – COVID-19 Impact: Where do we stand amid the pandemic?
13 May 2020	Webinar: Malaysia service tax on digital services – post implementation and compliance
15 May 2020	Webinar: Is Now the Right Time to Acquire Brands & Technology?
20 May 2020	New Members Breakfast @ MGCC
21 May 2020	Webinar: COVID-19: Dealing with Creditors to Survive the Crisis
17 June 2020	Virtual Discussion: Aviation Industry Outlook - A take-off to Southeast Asia
18 June 2020	Premium Member Business Luncheon with Mr Abrar A. Anwar
7 July 2020	The Tuesday Club. – Navigating the Malaysia Tax Landscape, PENJANA and beyond
21 July 2020	The Tuesday Club. – International Trade: How do companies prepare and manage cross border disputes?
6 August 2020	Premium Member Business Luncheon with Datuk Muhamad Umar Swift
11 August 2020	The Tuesday Club. – Workforce mobility: Are you aware of the evolving taxes and immigration issues?
12 August 2020	New Members Breakfast
24 August 2020	Johor Briefing & Interchamber Networking
3 September 2020	Annual General Meeting – hybrid
8 September 2020	The Tuesday Club. – German Export Credit Guarantees: How does it support your business?
28 September 2020	Premium Member Business Luncheon with Dato' Sri Idris Jala
29 September 2020	The Tuesday Club. – Transfer Pricing: What are the impacts on businesses in light of COVID-19?

7 October 2020	MGCC – HSBC Webinar: Getting Back to Growth: Outlook for Malaysia & ASEAN
13 October 2020	The Tuesday Club. – Immigration restrictions: Challenges for business travellers
27 October 2020	MGCC - Adobe Webinar: COVID-driven IT innovation strategies that are working
4 November 2020	InterChamber Webinar: Parliament Crisis - a Triple-Coalition-Forecast!
17 November 2020	The Tuesday Club. – Macro and Market Outlook of Malaysia - What to expect in 2021?
24 November 2020	The Tuesday Club. – Budget briefing 2021
25 November 2020	InterChamber Webinar: The State of Government. What Comes Next?
2 December 2020	Premium Member Business Luncheon with Tricia Yeoh
8 December 2020	New Members Breakfast
11 December 2020	Virtual Christmas Coffee



German Dual Vocational Training (GDVT)



GDVT Penang

The GDVT September 2016 Mechatronics intake in Penang completed their Final Examination Part 2 and graduated under the certification corridor “Vocational Education and Training (VET) abroad”. The GDVT department also conducted the examinations for the June 2017 intake from which all 18 apprentices successfully passed. Whereas, another 44 apprentices of the July 2019 intake have completed

their Final Examination Part 1. Due to the ongoing pandemic, all examinations were conducted with strict adherence to the Standard Operating Procedures set forth by the Malaysian Government. In September 2020, 27 apprentices enrolled in the new GDVT intake in Mechatronics.

In addition to the German Dual Vocational Training (GDVT), the GDVT team of the Malaysian-German Chamber of Commerce and Industry (MGCC) is collaborating with the IHK Kassel-Marburg, B. Braun Medical Industries, and Penang Skills Development Centre to offer the Industriemeister – Fachrichtung Mechatronik in Malaysia from November 2021 onwards. The first kick-off meeting of this collaboration took place in December 2020. This is to provide a further career path after the advanced skills diploma and an on top training with a focus on advanced technical and organisational aspects combined with knowledge in management. Graduates of this further training are leaders in middle management with a focus on production and staff management.

A new fee structure was implemented in 2020. The new fee structure is intended to form a uniform and cost-covering structure for both Penang and KL in the future. A regular financial review shall take place with the Malaysian Meister Industry Board (consisting of the GDVT stakeholders) to monitor the financial development of the training.

Graduating GDVT Mechatronics & Logistic Management of Year 2020



GDVT
Mechatronics

KL

- Batch 1609 (17pax)

PNG

- Batch 1609 (14pax)
- Batch 1706 (18pax)

Total Mechatronics Graduate : 49 apprentices



GDVT
Logistic Operation
Management

KL

- Batch 1707 (7pax)

Total LM Graduate : 7 apprentices

GDVT Kuala Lumpur

The intake in Kuala Lumpur fruitfully started in September 2020, with a new GDVT training company “CIBA VISION Johor Sdn. Bhd. (ALCON)” aboard. On the other hand, the first Mechatronics batch of KL has completed their Final Examination Part 2 and was also awarded the “Vocational Education and Training (VET) abroad” certificate. 7 apprentices of the Logistic Operations Management’s 3rd batch of July 2017 have completed their final examination.

The eighth AdA – Ausbildung der Ausbilder/Train-the-Trainer workshop was successfully held on 6 November 2021. This AdA workshop took a whole new approach by collaborating with the AHK-India to provide the workshop via online based on the AdA International curriculum.



Communications



MGCC Perspectives

AVAILABLE IN PRINT AND DIGITAL

The first quarterly issue of MGCC Perspectives magazine was released during the Movement Control Order period in both print and digital format. The articles are being offered in high-quality and editorial coverage. They include in-depth information about industry, market insights, commentaries and interviews. It is also a platform for members to showcase their companies and achievements. The final and fourth issue of the year was developed to celebrate the coming 30 anniversary of MGCC in 2021.



4

ISSUES PUBLISHED

REACHING CLOSE TO

5k

SENIOR EXECUTIVES AND DECISION-MAKERS

Website and other media

Twelve Newslink360° e-newsletters were published in 2020. The final newsletter of the year recorded a 15.3 per cent decrease in open rate (year-on-year).

MGCC contributed several video clips to the worldwide “COVID-19 Kompas” produced by DIHK to share first-hand updates from Malaysia with the world.

The weekly news e-digest “Malaysia am Mittwoch”, an exclusive members-only service, delivered up to-date information of Malaysia’s economic and political developments which ended with 51 issues in 2020.

The monthly MGCC buy MY local newsletter campaign that started in August concluded in November after 4 releases. It has been well received by members and saw an active participation of many companies that are usually rather “invisible”.

We experienced a substantial increase in followers on LinkedIn. As of 31 December 2020, there are over 3,200 followers, as compared to only around 1,000 followers in the previous year. The growth has been organic and is expected to increase further in 2021.

Press

MGCC was featured in 5 articles throughout the year starting with an article by The Malay Mail in February titled “MGCC woos Malaysian industries to enter Germany’s market”. It was followed by an article in March by The Edge Markets, in July with The Star and double mentions in December by The Star and Digital News Asia.



Podcast



In June 2019 we became the first Chamber of the worldwide AHK network to introduce a podcast. Named “The MGCC Podcast”. In 2020 MGCC broadcasted 23 episodes with its two formats the

Shortcast and the memberbytes. The Shortcast was introduced during the first lockdown as a short episode where executives in Malaysia explain how they deal with the pandemic. All episodes are streamed via the most common podcast streaming platforms like Spotify, Apple & Google Podcast etc. For Q3 and Q4 in 2020 MGCC was able to win Siemens as a sponsor. Most episodes reached 50-100 plays attracting listeners from mainly Asia 60% and Europe 29%. Although we mostly approach members to be interviewed members also approach MGCC to take part in an episode. With gradual improvements and promotion, the podcast is expected to expand its reach in 2020.

Media partnership

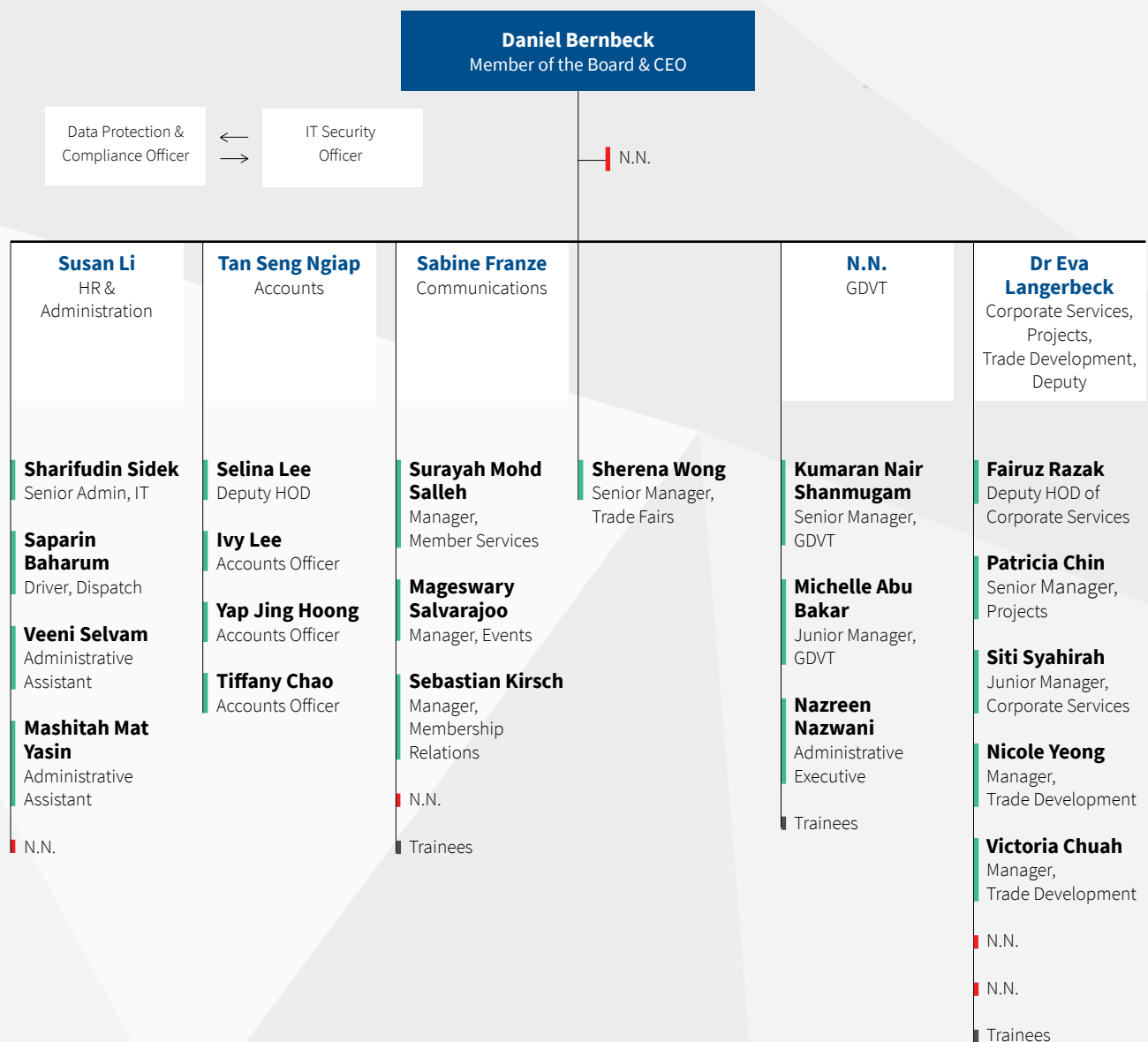
The 11th International Greentech & Eco Products Exhibition & Conference Malaysia (IGEM) was held from 19 to 23 October 2020 however due to the pandemic, the event was organised virtually online. Given MGCC’s successful partnership with IGEM in 2019, MGCC decided to renew its media partnership with the organisers that not only offered logo visibility throughout the exhibition but also provided a dedicated virtual booth to showcase our services.

MGCC had a similar arrangement with the organisers of the Metaltech trade show which took place from 10 to 13 November 2020. The organisers Informa Markets are a member of MGCC and Metaltech 2020 originally was planned to be a physical show hosting an official German pavilion representing German companies in the machine tool, metalworking, and automation industries. Eventually, this trade show happened virtually with MGCC present with its own virtual booth.

Administration and finance

MGCC organisational chart

31 December 2020



Legend:

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



Organisational set-up

In the Q2 of 2021, there has been an organisation restructuring in the Chamber where the Trade Development department was merged with the Corporate Services Department. With the restructuring exercise, the position of a General Manager has become redundant.

Finance

Because of the pandemic, the Malaysian government enforced a movement control order (MCO) which started on 18 March 2020 which led to all MGCC staff to continue working from home. On the same day (18 March 2020), Accounts Department developed a whole new digital workflow to enable MGCC staff to work from home effectively. We relied heavily on scanning solutions and email flow for processes. Up until the end of 2020, MGCC was still using this method and the auditor praised MGCC for being able to adapt in such a short time. Therefore, MGCC audit groundwork was able to be completed within first quarter of 2021.

Budget

In 2020, the HQ of Chambers in Germany, DIHK informed MGCC that we can only apply a maximum of EUR700k of subsidy for 2021, a level close to 2020 and giving us the very much needed financial stability despite the crisis. The management of MGCC is nevertheless putting a strong focus on increasing sustainability by enhancing profitability and efficiency, compliance and transparency.

MGCC COVID-19 News Task Force and Online War Room

To help member companies go through the pandemic amidst the continuous barrage of COVID-19 restrictions and information from the Malaysian government, MGCC formed a COVID-19 News Task Force consisting of ten (10) staff members from various departments to furnish MGCC's online war room on the website and send weekly updates on standard operating procedures and immigration matters. The task force was formed to ensure that members, business partners, clients and visitors stayed well-informed about the current policies, restrictions, and government announcements during the MCO. On the day the MCO was announced, a dedicated webpage for advisory and reporting matters for COVID-19 was created at www.malaysia.ahk.de/covid19. This so-called online "war room" provides up-to-date and validated information in form of government-issued circulars, press releases, breaking news as well as FAQs. It proved to be an important focal point for online searches from within Malaysia, Germany and elsewhere, becoming the highly appreciated top landing page by entrances during the several stages of MCO and lockdown periods all through 2020 and beyond.

Octoberfest defamation case

MGCC won against Utusan Malaysia on Sessions court level on 12 October 2020. The court ordered costs of RM10,000.00 to be paid by Utusan. Furthermore, Utusan was supposed to publish an official apology and retract the defamatory content. The damages had yet to be assessed by the Sessions Court.

However, Utusan filed both an appeal at the High Court in Kuala Lumpur and a stay application to postpone the enforcement of the judgement in favour of MGCC. Utusan won the stay application at the Sessions court to postpone the enforcement of the judgement. Apart from online case management sessions which were attended by MGCC's legal representative, as of 31 December 2020, there is no update on the appeal at the High Court in Kuala Lumpur due to the MCO. The final decision has been postponed to 7 September 2021.

Accounting department

MGCC's accounts department continues to serve both internal accounting and external clients under Malaysian and German books accounting standards and as a service unit to our clients for Accounting and Payroll services. The services provided by Accounts department are complementary to the services offered by other departments as many clients use more than one of our service offerings following our approach of a "one-stop-center" for them.

MGCC's Accounts & Payroll services have remained resilient throughout 2020. There was zero (0) client terminating the respective services contracts with MGCC in 2020. One (1) new payroll client was acquired in year 2020, bringing payroll clients number to 19 in total.



Financial reports

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 December 2020

	2020 RM	2019 RM
REVENUE		
Entrance fees and subscriptions	985,334	1,056,355
Trade promotions, fairs and direct mailing	1,992,726	2,699,608
Sales of publications	—	1,403
Subsidies from DIHK, Berlin	4,090,271	3,905,261
Interest income	86,422	99,205
Other income	466,701	524,454
Membership activities	36,988	75,861
Gain on foreign exchange	237,924	81,002
Site analysis	—	106,450
Vocational education	695,474	717,570
	8,591,840	9,267,169
Less:		
EXPENDITURE		
Staff costs	4,593,603	4,117,221
Operational and administrative costs	3,953,731	4,252,667
Director's remuneration	1,303,778	1,215,761
	9,851,112	9,585,649
(DEFICIT)/SURPLUS FOR THE FINANCIAL YEAR	(1,259,272)	(318,480)

Outlook

What lies ahead?

Despite the challenges, the first-in-a-life time experience and the paradigm shifts that have and will come with it, MGCC has endured 2020 and entered its 30th year of existence. “Crisis times are Chamber times” is our credo. We not only remain committed to the ideal of being a reliable partner for both German and Malaysian businesses, but we aim to grow even stronger and connected with our members, clients and networks with institutions, chambers, and associations. We believe that first and foremost the highly appreciated support of the Ministry of Economic Affairs and Energy in Berlin, the priceless ties to our worldwide AHK-Network coordinated by DIHK have helped us through this crisis. Having said that, it is also the agility and flexibility of our MGCC workforce, the harmony within our management team that have proved to be crucial for our “MGCC Family” to grow stronger despite the

pandemic. For our members, one of the silver linings behind the pandemic is the accelerated adoption of digital transformation technologies across all industries. This bodes very well for several industries particularly those who are contributing to the Industrial Revolution 4.0. We are monitoring the COVID-19 situation very closely and will continue providing support to our members as they go through these unprecedented times. We have adapted to the “new normal” to ensure efficiency in all our service offerings while also working towards realizing the global transformation plans in AHK Strategy 2025. There are still many uncertainties in the world marred by a pandemic, but we will remain resilient and ever ready to innovate and introduce new services for the anniversary year 2021.



Imprint

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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