



# Berita

# EAC(M)

THE IN-HOUSE MAGAZINE FOR  
OUR EMPLOYEES

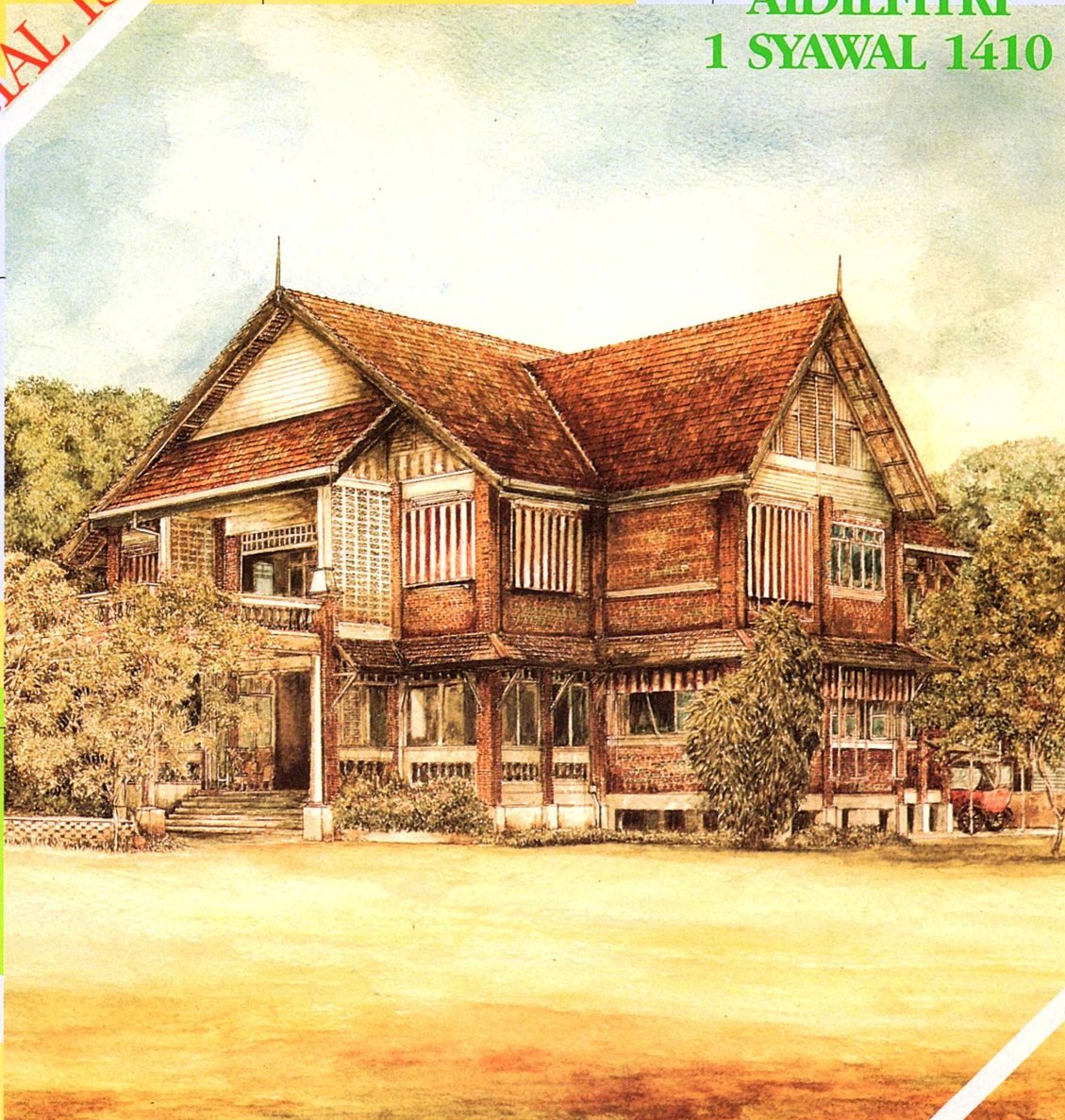
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SPECIAL ISSUE

SELAMAT HARI RAYA  
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The manager's house at the EAC Teluk Merbau Plantation was built in 1918.

**EAC in Malaysia**

# 1989 A GOOD YEAR

1989 was a good year for The East Asiatic Company (Malaysia) Berhad, said the Chairman, Mr Henning H Sparsoe in his Annual Report to shareholders, although results were below those of the previous year due mainly to lower commodity prices and increased raw material costs for the Dumex Division.

He also noted that Malaysia because of its sound economy, stable political situation, good infrastructure and a well educated labour force is an attractive place for further investment by EAC.

This special issue of Berita EAC gives an overall view of the activities of the EAC Group in Malaysia for the information of all employees. A synopsis in Bahasa Malaysia is also provided.



yang terbesar diuruskan oleh syarikat subsidiari milik penuh kami The River Estates Sdn Bhd. Kawasan tanamannya seluas 7,500 hektar dengan pekerja seramai 1,500 orang dan menghasilkan lebih 20,000 tan metrik minyak sawit dan 5,000 tan metrik isirong sawit setahun serta sedikit sebanyak koko.

**Dumex:** Dumex ialah suatu jenama yang terkenal. Keluaran-keluarannya yang utama di pasaran ialah Rumusan Bayi, Susu Penuh Krim dan Mamex yang dihasilkan daripada bahan-bahan import. Kilangnya didirikan pada tahun 1960 untuk menampung keperluan rantau ini, kini telah dibesarkan empat kali ganda dengan pekerja seramai 300 orang. Bahagian ini juga mengeluarkan barangan farmaseutik, diantaranya Dusil, salah satu pil sakit kepala yang masyur di rantau Asia Tenggara.

**Barangan Pengguna:** Bahagian ini, seperti yang diterangkan di halaman..... telah maju dengan pesat sejak ia bermula dengan menjual rokok Marlboro. Sekarang ia menjual coklat M&M, biskut mentega Kjeldsens, barangan kesihatan keluarga ICI, makanan haiwan peliharaan (Pedigree, Pal dan Whiskas), dan yang terbaru ialah makanan bayi Gerbers. Jualannya dibuat menerusi 2,300 pengedar termasuk pasar raya, dan jumlah perniagaan telah bertambah 700% sejak dua tahun yang lalu. Matlamatnya yang paling utama ialah peningkatan khidmat dan kepuasan pelanggan.

**Carlsberg:** Juga dibentangkan sehalaman dengan Bahagian Pengguna ialah Carlsberg Brewery Malaysia Berhad. Sebanyak 22.1% sahamnya dipegang oleh EAC (M). Jenama yang amat popular ini merupakan pemimpin pasaran dan mendapat sambutan meluas di seluruh Malaysia.

**Sarung-tangan Getah:** Ini merupakan suatu usaha niaga baru yang dikendalikan oleh EAC Rubber Industries (M) Sdn Bhd, sebuah syarikat subsidiari milik penuh. Untuk bahan mentah ia menggunakan susu getah keluaran ladang getah Padang Meiha kepunyaan Syarikat. Ia mengeluarkan lapan juta pasang sarung-tangan lupus sebulan untuk industri kesihatan, seperti hospital, doktor perubatan, doktor gigi

## KEMAJUAN DAN KEJAYAAN EAC DI MALAYSIA

*Ringkasan cerita yang disiarkan di dalam bahasa Inggeris di dalam muka-muka majalah yang berikut serta perutusan daripada Pengarah Urusan.*

**S**yarikat kami, kini dikenali dengan nama The East Asiatic Company (Malaysia) Berhad, mula bertapak di negara ini pada tahun 1905. Waktu itu ia membeli ladang getah Mount Austin di Johor. Ini merintis jalan untuk ia mengembangkan perniagaan di Semenanjung. Kegiatan-kegiatannya kemudian meluas ke Sabah dan Sarawak di pulau Borneo. Sungguhpun bidang perladangan merupakan pelaburan pertama dan tetap menjadi kegiatan utama Syarikat, tetapi kegiatan kami telah berkembang ke bidang-bidang lain yang akan diuraikan dalam keluaran khas Berita EAC ini.

Organisasi kami tegak atas dua perkara: sinergi dan manusia. Sinergi di sini bermaksud keselarasan dalam pembangunan setiap komponen Syarikat atas dasar sandar-menyandar atau saling melengkapi. Para pekerja kami adalah aset kami yang tak ternilai

dan kemakmuran Syarikat bergantung kepada bagaimana tenaga manusia – lelaki dan wanita – dimanfaatkan sebaik-baiknya. Kami mengutamakan para pekerja yang memiliki sifat-sifat kejujuran, kesetiaan, keusahawanan, profesionalisme, ketekunan, agresif serta dedikasi. Manakala pokok pegangan kami dalam perniagaan ialah hubungkait antara tiga perkataan penting ini: kerjasama, tolak ansur dan amanah.

Berikut dibentangkan kegiatan-kegiatan Syarikat secara ringkas:

**Perladangan:** Pada waktu ini kami mempunyai dua estet di Semenanjung Malaysia. Ladang getah Padang Meiha di Kedah meliputi 2,300 hektar dengan pekerja seramai 600 orang. Ladang kelapa sawit Teluk Merbau, terletak 50 batu ke selatan Kuala Lumpur, meliputi 3,200 hektar dengan pekerja seramai 700 orang. Di Sabah pula, ladangnya

dsb. Sarung tangan ini dibuat dengan mutu yang tinggi dan mendapat sambutan yang baik di luar negeri. Pasaran yang utama ialah di Eropah dan Amerika Syarikat.

**Bunga:** EAC Horticulture (Malaysia) Sdn Bhd ialah pemimpin dalam bidang pengeluaran bunga orkid untuk pasaran. Projek usaha bersama dengan Dana Pembangunan Industri Denmark (Danish Industrial Development Bank – IFU) ini terletak tidak jauh dari Kuala Lumpur. Ia mempunyai lebih 100,000 pokok orkid dan bunga-bunganya dipotong setiap tiga hari. Bunga potong dieksport ke seluruh dunia. Jepun dan Eropah Barat merupakan pelanggan yang terbesar.

**Grafik:** Di Malaysia, bahagian ini pada asasnya ialah suatu operasi yang memasarkan barangan grafik. Di antara jenama terkenal sedunia yang dipasarkan ialah Heidelberg, Polar, Stahl, Muller Martini, Crosfield dan Agfa-Gevaert. Alat-alatnya yang bermutu tinggi, teknik pemasaran yang sofistikated dan khidmat lepas jualan yang cekap, semuanya membantu melipatgandakan keuntungan sejak dua belas bulan yang lalu. Kini ia menguasai 85% pasaran di Malaysia.

**Eksport:** Bahagian ini ditubuhkan setahun yang lalu dengan tujuan memasarkan barangan ke luar negeri. Untuk ini pejabat-pejabat jualan telah dibuka di beberapa buah negara. Disamping memasarkan barangan keluaran EAC (M) seperti sarung-tangan getah dan bunga, ia juga membeli dan memasarkan buah-buahan dan sayur-sayuran segar tempatan ke luar negeri.

**Peralatan Perindustrian:** Barangan ini dikendalikan oleh Bahagian Teknik Syarikat yang dahulunya dikenali dengan nama Bahagian Kejenteraan. Tumpuannya ialah di bidang jualan peralatan industri, di antaranya trak angkat susun Hyster, set penjana Nokia, pencuci tekanan tinggi Gerni dan serangkaian alat-alat bantu untuk sektor komponen automotif, elektrik dan jentera.

**Kayu-kayan:** Bahagian kayu-kayan beroperasi di Semenanjung Malaysia dan juga Sabah. Tugasnya membeli

dan mengeksport kayu bergergaji untuk pasaran dunia, terutama ke Eropah di mana syarikat-syarikat subsidiari EAC bertanggungjawab atas jualan dan pendedaran. Kayu-kayan Malaysia terkenal di Eropah kerana ketinggian mutunya. Bahagian Kayu-kayan ini menentukan semua eksport mempunyai mutu tinggi.

**Pengangkutan:** Khidmat pengangkutan laut yang disediakan oleh EAC dikendalikan, secara bebas daripada EAC (M), oleh pejabat Nedloyd – EAC Agencies di Pelabuhan Klang dekat Kuala Lumpur yang menampung kapal-kapal Scandutch dan lain-lain syarikat perkapalan. Suatu perkara yang menarik disebut di sini ialah kapal EAC yang pertama mengunjungi Semenanjung ialah kapal S.S. Siam yang tiba di Pulau Pinang pada bulan Jun 1898. Hubungan dengan negara ini telah dapat dikekalkan hingga kini.

**Am:** Penerangan sepintas lalu dalam Bahasa Malaysia ini menghuraikan secara ringkas kegiatan-kegiatan yang diceritakan dalam Bahasa Inggeris pada halaman-halaman berikut. Gambar-gambar yang tertera membentangkan kisah EAC(M) lebih sempurna daripada kata-kata dalam sebarang bahasa. Kami di peringkat pengurusan sentiasa berusaha ke arah kecemerlangan. Supaya dengan ini dapatlah Syarikat kami memberikan sepenuh kepuasan kepada pelanggan yang mana kami semua bergantung untuk mata pencarian. Tetapi segala ini adalah hasil usaha kakitangan EAC(M) yang bekerja dengan penuh dedikasi. Di sini izinkan Syarikat kami melafazkan rasa penghargaan dan terima kasih yang tidak terhingga kepada mereka.

## Malaysia – one of South-East Asia's growth centres



**EAC** has been active in Malaysia for just under 100 years. The SS SIAM was the first EAC ship to enter the port of Penang, as long ago as 1898. And, in 1905, a far-sighted EAC acquired its first rubber plantations, ready for the mass-produced motor vehicles introduced by Henry Ford two years later. In 1927, EAC established its Kuala Lumpur office. The Penang office opened its doors one year later. And visitors to the Teluk Merbau plantation can still see the old plantation manager's house, built in 1918 and still in use. The East Asiatic Company (Malaysia) Berhad was locally registered in 1977. Today, it is listed on the stock exchange and is well

equipped to continue its expansion in the 1990s, with seven divisions, various subsidiary companies, associated companies and just under 3,000 employees. Malaysia is made up of 13 states split between the Malaysian peninsula and East Malaysia (formerly Borneo). There is a population of 17 million people, comprising Malays, Chinese and Indians, as well as various other ethnic groups. Half the population is under 20 years of age. Malaysia's cultural mix, many young people and wide geographical spread make it an exciting challenge. We describe that challenge in more detail on the theme pages of this issue of EAC Magazine.

# Progress through teamwork

**E**AC(M), EAC's Malaysian company, is divisionalised, with interests split between plantations, manufacturing industry, transport and the import/export trade. The company's business philosophy is based on the concept of "Progress through teamwork", with an emphasis on high productivity in the plantations and manufacturing plants, as well as a strong commitment to marketing in every one of its sales-related activities.

## FREEDOM WITH RESPONSIBILITY

"We believe in the principle of individual freedom but this is coupled with joint effort. We achieve our results through setting performance norms and goals based on individual effort," says John Madsen, Managing Director of EAC(M).

"Whatever we do – individually or collectively – our common objective is always to improve productivity. Our fundamental business philosophy is based on treating all

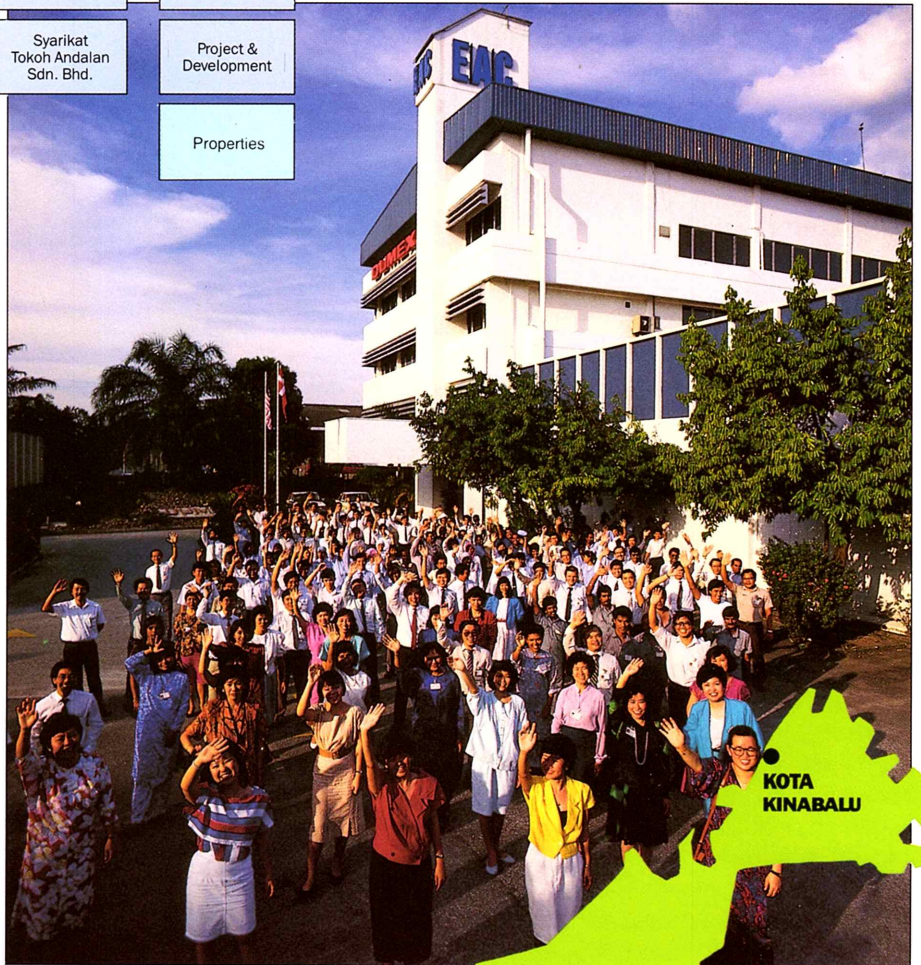
concerned employees as members of the marketing team – a team which must always offer our customers the highest quality and service.

## DEVELOPMENT OF THE SYNERGY EFFECT

"Our strategy in Malaysia is to continue to invest in business activities which exploit the synergy effect and to develop branded consumer goods which have export potential and assist in EAC(M)'s internationalisation process. This strategy will be undertaken in close co-operation with EAC in Denmark and our sister companies in the EAC Group throughout the world," adds John Madsen.

### THE EAST ASIATIC COMPANY (MALAYSIA) BERHAD

Divisions	Subsidiaries	Associated Companies	Staff-Function
Plantation	The River Estates Sdn. Berhad	Carlsberg Brewery Malaysia Berhad	Administration & Finance
Dumex	EAC Rubber Industries (M) Sdn. Bhd.	Syarikat Tokoh Andalan Sdn. Bhd.	Project & Development
Graphics	EAC Horticulture (Malaysia) Sdn. Bhd.		Properties
Consumer Products	EAC (M) Trading Limited		
Technical			
Export			
Timber			



*EAC staff gathered in front of the Kuala Lumpur offices*

● KUALA LUMPUR

● KOTA KINABALU

# Profile

## THE PAST

The East Asiatic Company Ltd. A/S was established in Denmark in 1897 on the basis of trading in Thailand some years earlier. EAC from the outset aimed at a synergistic interplay of shipping, trade and industry worldwide. It opened an office in Singapore in 1902 and in 1905 acquired Mount Austin rubber estate in Johore thus paving the way for expansion into Peninsular Malaysia.

## THE PRESENT

The East Asiatic Company (Malaysia) Berhad, a subsidiary of EAC in Denmark, with its main office in Petaling Jaya near Kuala Lumpur now has branches and varied interests in all parts of Malaysia. EAC Malaysia is a public company listed on the Kuala Lumpur Stock Exchange. The activities comprise plantations, manufacturing, transport, marketing, import and export.

## SYNERGY

The dynamism of the Company's autonomous operating divisions, subsidiaries and associates creates a business environment providing significant value-added products to which the people in EAC Malaysia add important values.



## THE FUTURE

The objective is to expand our core businesses, and develop new business based upon synergistic effects, placing emphasis on exports. Backed by the EAC international network and marketing expertise we aim to internationalize EAC Malaysia.

## CORPORATE CULTURE

It is the employees and customers which make the company. Success is based on co-operation, reciprocity and trust between all concerned. All people in EAC Malaysia are part of the marketing team aimed at providing total customer satisfaction.

# Plantations – EAC's oldest activity in Malaysia



Hussain Shaari,  
Group Plantation  
Manager

**EAC**'s oldest activity in Malaysia is the operation of plantations. Rubber and coconut plantations have been owned since 1905. Oil palms were added in 1951, gradually replacing the coconut palms at Teluk Merbau. Until that time, there was virtually no production of palm oil in Malaysia. The annual output was around 50,000 tons, compared with today's figure of almost six million tons. EAC(M) now has three plantations, covering some 18,000 hectares. A fourth plantation is in prospect. This will increase the total area by 8,500 hectares.

## MALAYSIA'S FINEST RUBBER

There is just one rubber plantation, Padang Meiha, in the state of Kedah. It has an area of 2,300 hectares and employs 600 people. The yield per acre is very high – in 1987, it was the highest in Malaysia. It produces rubber of the finest quality, with an annual production equivalent to 3,200 tons. The plantation manager is Wan Wai Mun. The Teluk Merbau oil-palm plantation is a little larger, at 3,200 hectares, and is located around 50 miles from Kuala Lumpur, between Port Dickson and Port Klang on the Malacca Straits coast. A total of 12,500 tons of palm oil and 3,600 tons of palm kernels are produced there each year. There are some 700 employees and the plantation manager is K.L.Chiang.

*Tapping rubber trees at the Padang Meiha plantation*



*The oil-palm harvest at Terluk Merbau. One of the harvesting implements used by plantation workers is a knife attached to the end of a long stick*

## LARGEST PLANTATION

The largest plantation is the River Estates subsidiary in Sabah, East Malaysia. Its gross area is 12,600 hectares (of which approximately 5,200 cannot be cultivated) and there are some 1,500 employees, producing 21,700 tons of palm oil and 5,000 tons of palm kernels a year.

Hussain Shaari, Group Plantation Manager, reports that much is being done to replace hard manual labour with machinery.

There is a strong worldwide demand for both raw rubber and palm oil. The efficiency of the plantations is very much dependent on the skill of their workers. For example, rubber tapping requires special abilities. The latex is processed on the spot and then either sent to EAC's rubber-glove factory in Kuala Lumpur or exported direct. Palm oil is rich in vitamins and has many uses – for example, in margarine, as vegetable fat in ice cream and for deep frying. It is also used in the soap industry.





*Young rubber trees in the tree nursery at the Padang Meiha plantation*

## Experiments to improve rubber trees

Plantation activities occupy third place in the Malaysian economic league table, beaten only by forestry and the petrochemical industry. And it is worth noting that neither plantation operation nor forestry damages the environment – the resources are renewable and produce virtually no waste products.

"We are actively involved in rubber research in Malaysia and have achieved a measure of success in the search for new clones. The experiments have as their objective the development of rubber trees producing the highest possible yield," says Wan Wai Mun of the Padang Meiha plantation. "Out of every 1,000 experiments, just two results can be rated as successes. At present, we have trees which can be tapped after four years, but the waiting time can be further reduced."

Three-quarters of a million rubber trees have been planted. Research is being undertaken into intensive exploitation and

improvements in work methods. In the tree nursery – where the new rubber trees begin their lives – there are 20,000 young trees waiting to be planted out.

Rubber tapping is a highly specialised technique – and women make the best tappers. Male workers are more involved in the hard work involved in planting out the young trees. From the moment when the tapper makes his or her first cut, it takes from three to four hours for the cup attached to the tree

to fill. Plantation workers are comparatively well-paid and EAC views the improvement of their housing and social conditions on the plantations as an important task.

### **EAC VILLAGE IN THE JUNGLE**

Teluk Merbau is, in a sense, a small EAC village, with a house and vegetable allotment for every family. And the situation is the same at Padang Meiha and River Estates.

K.L.Chiang says that he has to be a man of many parts to serve the little plantation community of which he has charge – welfare worker and psychologist, as well as a planter. The employees, many of whose families have worked on the plantation for generations, come to the management for advice whenever they have problems.

### **MAS SERVICES USE EAC AIRPORT**

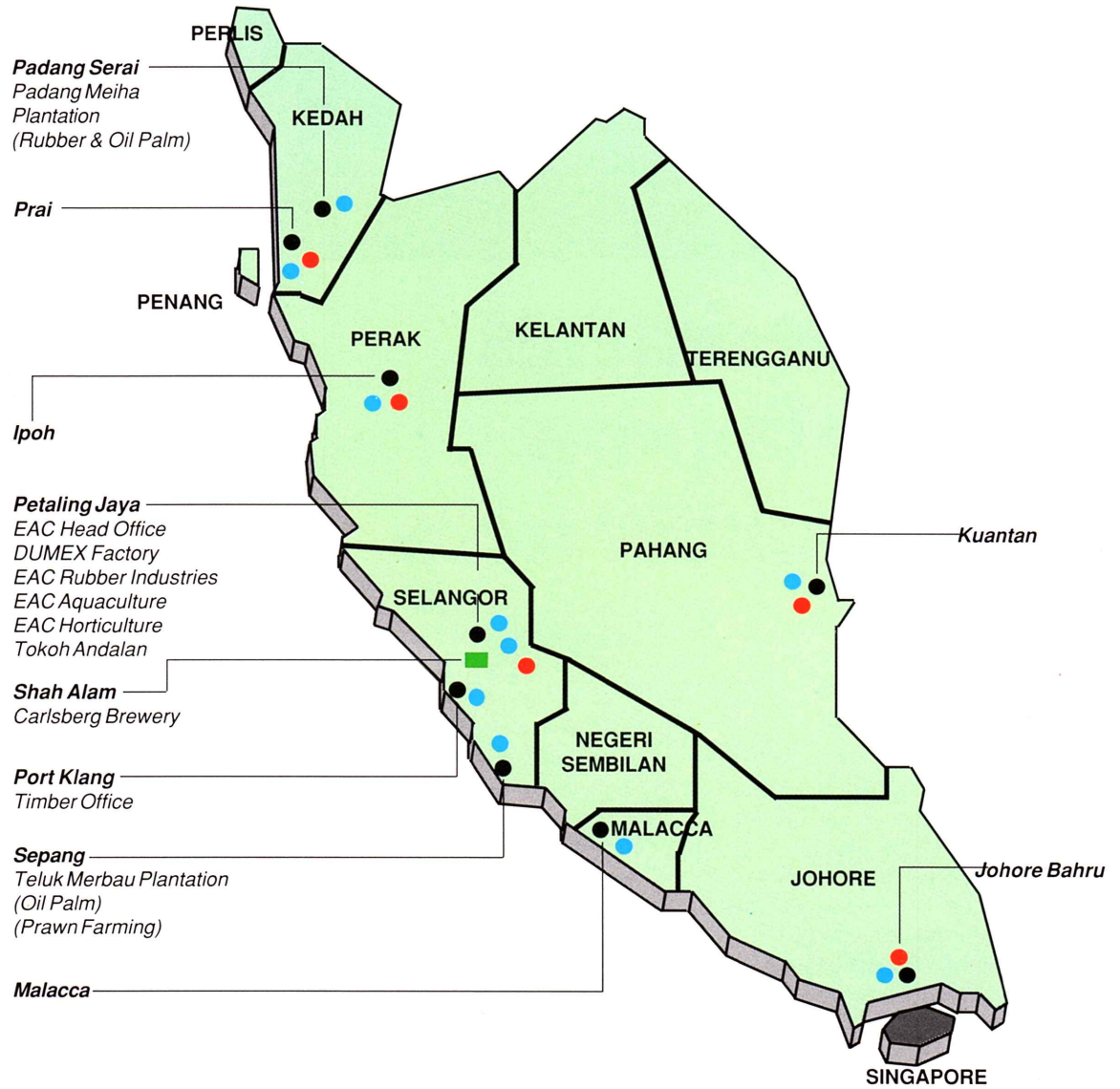
EAC's newest plantation, dating from the mid-1960s, is River Estates, in north-eastern Sabah. A small airport has been constructed in the middle of the jungle. Small aircraft operated by Malaysian Airlines call at the airport four times a week. And although the community numbers less than 1,500 people, it has its own hospital, school, general store and police station. The plantation's products are palm oil, palm kernel and cocoa, which are loaded into large barges for the eleven-hour journey down river to Sandakan, where EAC also has a local office.

Chok Choo Yong, who is in charge of the little River Estates "empire" in the middle of the jungle, is not only a plantation manager. He has to do service as airport and harbour administrator too.



*Tomanggong, EAC's little airport at River Estates, receives four MAS flights a week. Here an aircraft prepares for take-off, with the terminal building just visible in the background*

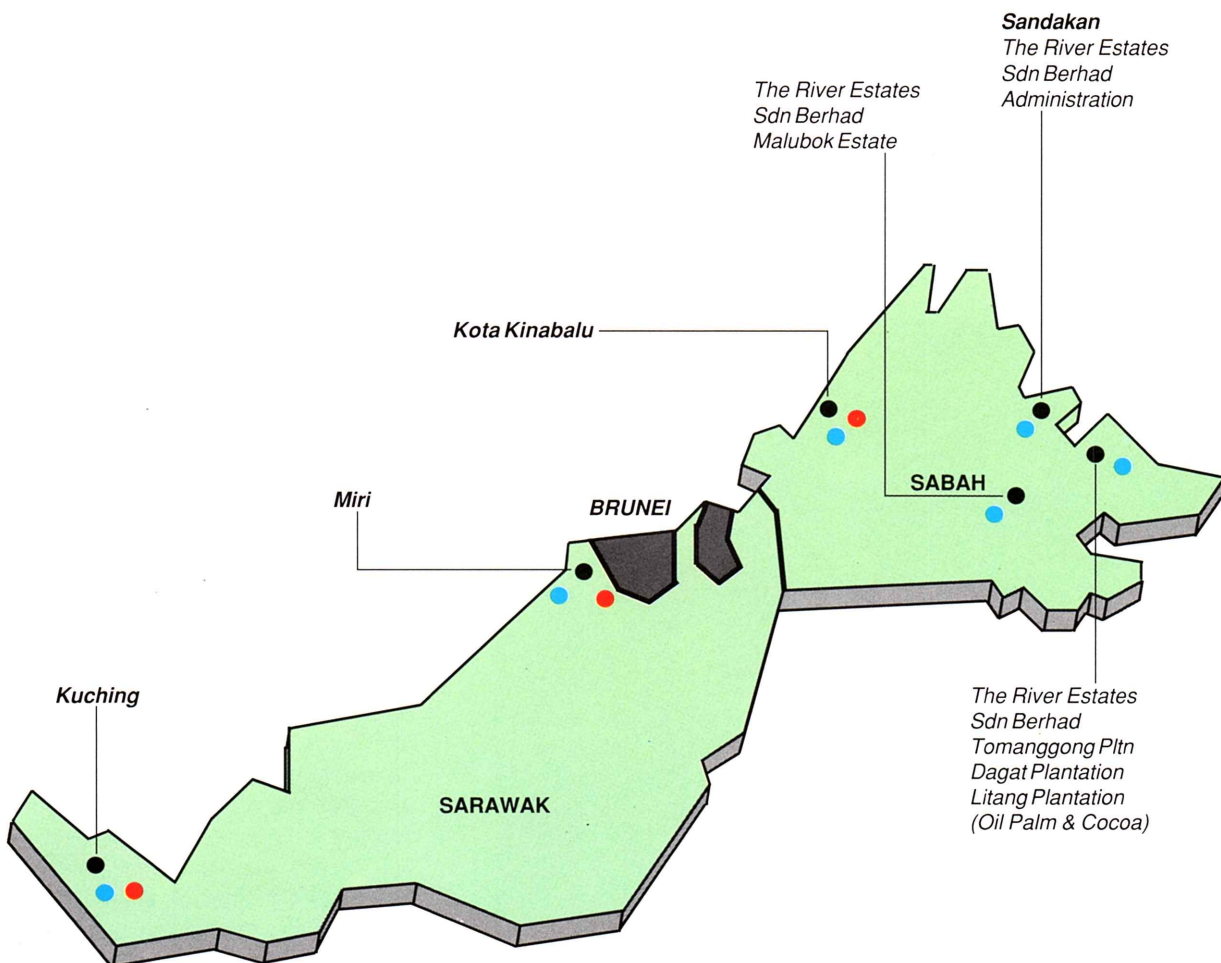
# EAC in Peninsular Malaysia



KEY	
● (Blue)	EAC Offices/Plantations
● (Red)	DUMEX Sales Offices
■ (Green)	CARLSBERG Brewery



# EAC in Sabah dan Sarawak



# Dumex – popular with Malaysian mothers

**D**umex is a strong EAC brand-name in Thailand, Malaysia and Singapore. In Malaysia, Dumex has gained a healthy share of the market with its mainstream products – Infant Formula, Full Cream Milk and Mamex. Started up by EAC in Denmark in 1946, Dumex established a factory in Kuala Lumpur in 1960, to serve Malaysia, Singapore and Brunei.

At the outset, the factory had an area of 20,000 square metres. Today, it is four times that size.

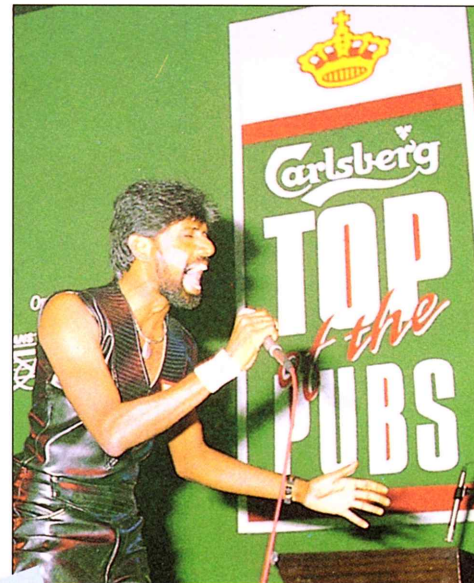
The main product is Dumex Infant Formula, for which the main raw material is milk powder from New Zealand. Previously, the milk powder was imported from Denmark. However, Danish milk production is now at too

low a level for large volumes to be exported.

## PHARMACEUTICAL PRODUCTS

Lawrence Hew, Dumex, reports that, apart from products for babies and small children, the company also sells vitamins and polio vaccine, as well as producing various pharmaceutical products – including one of the best-known headache pills in South-East

Asia, Dusil. This substantial company has some 300 employees.



Carlsberg is "Top of the Pubs", according to this poster



Every product is carefully checked before it leaves the Dumex factory

**I**t all started with Marlboro cigarettes, but there are now other world-famous brands in the range, including M&M chocolate, petfoods (Pedigree, Pal and Whiskas), Kjeldsens butter cookies and ICI products, such as suntan lotions. The latest addition is Gerbers baby foods. The Consumer Products Division's turnover has increased by a factor of seven in two years and its manager, Jeremy Tee, has absolutely no doubts about future prospects.

## RAPID STOCK TURNOVER

"We owe our existence to our customers and the secret is that we know them very well indeed. Some of them have a stock-turnover rate as high as two days and those we visit at least twice a week. Malaysia is a typical pro-British market, following British consumption patterns, says Jeremy Tee. There is an emphasis on quality and luxury goods on supermarket shelves. The Division has just presented its first commercial for Kjeldsen's butter cookies on Malaysian television and reports lively interest. The Division has become market leader in several product sectors through its 2,365 distributors throughout Malaysia. For example, it is at the forefront in both petfoods and biscuits. The petfood market is worthy of

# Carlsberg honours the horse

The famous horses which pull Carlsberg's beer drays in Copenhagen are sending a friendly greeting to the Malaysians during 1990. According to the Chinese calendar, it is the Year of the Horse. To mark the fact, there is a fine picture of horses on the rear doors of all the company's delivery trucks in Malaysia.

## BUSY CHINESE NEW YEAR

The Kuala Lumpur brewery, which is owned jointly by EAC(M) and Carlsberg, has in fact just come through one of its very busy periods, the Chinese New Year. Carlsberg beer is successful in both East and West Malaysia – in part as a result of creative marketing.

## MARKETING WITH MUSIC

For example, the company advertises through the 'Top of the Pubs' song competition, a contest to discover the best pop songs. Concerts take place throughout Ma-

aysia and the profits from these events go to various schools. So, just as the Carlsberg Foundation in Denmark contributes to learning, beer plays a role in the education system in this part of the world too.



Charity-event advertising has its place on Carlsberg's delivery trucks

# Our consumers are our biggest asset



special mention. The country has 638,000 dogs and over two million cats, which are by far the most popular household pets in Malaysia.

## MALAYSIAN DOG SHOW

The Consumer Products Division registered its existence very firmly in the minds of consumers in 1988 when it introduced Pal pet food at an important dog show. Its market performance has been impressive for a country in which the purchase of factory produced petfoods has not been the traditional pattern.

Success has come as result of commitment and footslogging. Regular visits are made to supermarkets, minimarkets, chemists etc. and the division maintains a constant check on its customers' needs. "In 1990, we are going to be starting up 'pet centres' in Malaysia. People will be able to obtain good advice on the care of their pets. The only other country in the world where this idea has been put into practice is Australia," says Jeremy Tee.

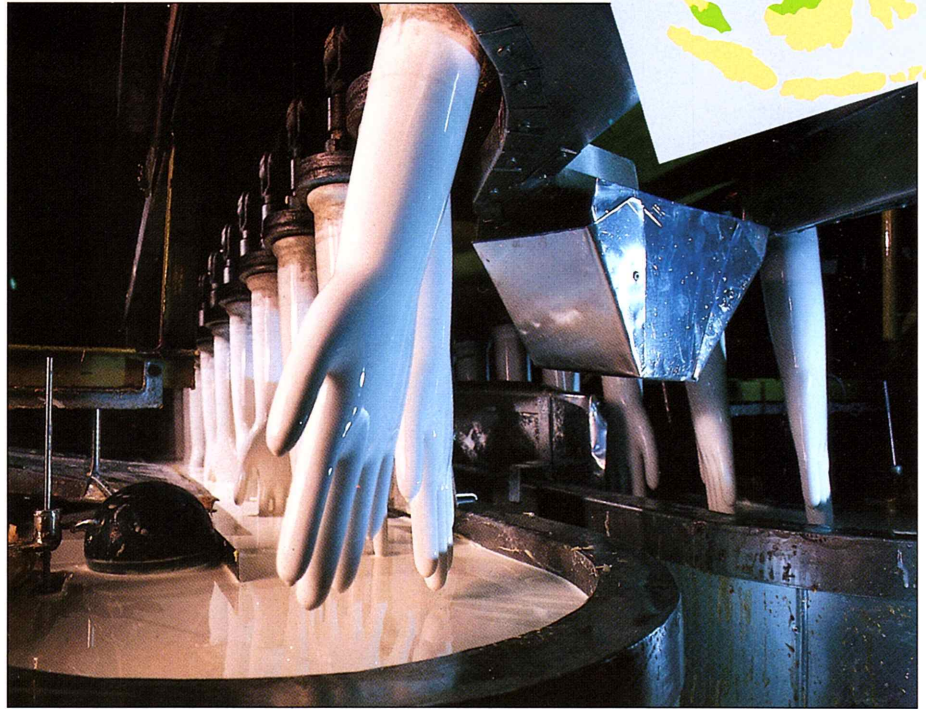
*EAC sales staff make sure that "Whiskas" products have a prominent position on supermarket shelves*

# Millions of disposal gloves for export

**F**ear of AIDS has created a massive demand on a worldwide basis for disposable gloves – for hospitals, dentists, doctors etc. On annual basis, no fewer than 15,000 million gloves are used, with the USA as the main market. But less than one per cent of disposable gloves are manufactured in accordance with the requirements of the Food and Drug Administration, the American federal health authority.

## DOUBLE-DIP IN LATEX

EAC Rubber Industries, EAC Malaysia's newest industrial activity, conforms to the stringent quality and hygiene requirements for disposable gloves. The rubber gloves are manufactured from 100 per cent pure latex and go through two latex dipping stages, in contrast to the single-dip method used by others. The fully-automated production process is very futuristic, with porcelain "hands" dipped in liquid latex and then undergoing a drying process, with no human contact. Human hands never touch them. The entire production cycle takes one hour. With its manufacture of rubber gloves, EAC Malaysia is responding to the wish that the country's raw materials should be exploited industrially at home rather than exported.



*The "hands" pass through dip tanks*

## EIGHT MILLION GLOVES A MONTH

Ken Ong, EAC Rubber Industries' manager, reports that the company now has two production lines manufacturing a total of eight

million gloves a month. On an annual basis, they expect to produce over one hundred million gloves. Every glove goes through various checks involving both air and water tests, to ensure that only gloves of perfect quality leave the factory.

## MACHINERY DEVELOPED BY EAC

The production lines, which are 65 metres long and two storeys high, were developed by EAC. Currently, the company's markets are countries in northern and southern Europe, as well as the USA. It should also be mentioned that EAC Rubber Industries is a result of EAC synergy. EAC began its plantation activities in Malaysia as long ago as 1905. Today, it produces some of the country's finest latex.

*The quality-control staff have enough work to keep them busy*



# Orchids for Japan and Europe

A colourful panorama of 120,000 orchids greets visitors to EAC Horticulture, near Nilai in the Malaysian state of Selangor. EAC Horticulture, established as a joint project by EAC Malaysia and IFU (the Danish industrial development fund), is an orchid farm, with row after row of growing orchids protected by large raffia-covered roofs. The roofing protects the plants from both rain and the strong midday sun. Flowers are cut every third day to be packed and exported to markets all over the world. The biggest markets are Japan and West Europe.

## BEAUTIFUL COLOURS

Three colour varieties are grown – yellow, dark blue and light blue. The four-hectare farm was established as a pilot project two years ago. The plan is to expand orchid



The orchids are packed in boxes to protect them on their journey to the consumer

growing to cover a large area in Johore Baru, close to the frontier with Singapore.

## DANISH AGRICULTURAL UNIVERSITY

The Danish Agricultural University is closely involved in the project to develop orchid

strains which can survive the long voyage in refrigerated containers or the journey by air. The Malaysian Research & Development Institute, an official body, is also very interested in the development of new export products.

# Full speed ahead for graphics

Team spirit is what produces results. We place a strong emphasis on employee training and have a democratic management style. But the most important thing is that we spend 70 per cent of our time out in the 'field,' says Chan Seng Lee, manager of EACgraphics in Malaysia.

The results bear witness to the fact that these are not just empty words. Profits have

trebled in just one year and EACgraphics has an 85 per cent market share in Malaysia. Its range includes products from all the world's leading manufacturers, such as Heidelberg, Polar, Stahl, Müller Martini, Crossfield and Agfa-Gevaert.

## MANAGEMENT BY EXCELLENCE

The level of investment in Malaysia is currently very high and the graphics industry is

no exception to the rule. For example, the Division sold Malaysia's first Heidelberg Speedmaster CD in 1989. The secret of its success is the application of the philosophy of 'management by excellence'.

"There is an open and honest management style, with an emphasis on co-operation among all employees," comments Yan Pak Wah enthusiastically.

## RELAUNCH OF COLOUR FILM

"We are marketing reprographic products, but our first task is to make the market quality conscious and then we have to educate our customers," says Yan Pak Wah. He is supported by Jack Ng, who has introduced Agfa-Gevaert amateur colour film to the market. "We had a product which our customers did not want because it had a bad reputation. A relaunch and increased investment in research have changed the picture and Malaysians now buy an average of four films a year," says Jack Ng. With its training centres throughout Malaysia and an intensive customer support programme, the Division is going "full steam ahead".



Evaluating the result of a print job on a Heidelberg machine



*The quality of all fruit is carefully checked before they are packed for export – here, they are star fruit*

## EMA'S – the new gold from Malaysia

The most recent step in the development of EAC(M) was the formation of its Export Division, which is now one year old. Marketing is organised through sales offices in Aarhus, the United Kingdom and the United States. A warehousing facility has been established in Kuala Lumpur.

### FRESH FRUIT FOR EUROPE

Fresh fruit, vegetables and orchids are sent to Europe, North America and Japan under the brand name EMA'S (which means 'gold' in Malay). In Denmark, these EAC products are sold by supermarket chains such as Irma and Brugsen. Special packaging is used by EAC(M) to protect the goods in the containers and so that they can ripen during transit. ScanDutch is the shipping line used

and the voyage to Europe takes approximately three weeks.

The Export Division also handles the sale of the latest product to be added to EAC's production activities in Malaysia, the rubber gloves manufactured by EAC Rubber Industries in Kuala Lumpur.

### STAR FRUIT AND PAPAYA

Of particular interest are the exports of star fruit (Carambol) and papaya, as people in Asia have for centuries believed that these two fruits possess an ability to reduce blood pressure. And, as a brand-new addition to the product range sold in Denmark, the company has recently started to sell 'rubber tapper pots' – the receptacles used to collect latex from rubber trees. The small pots are decorative and ideal for use as flower vases.

## Windscreen wipers for a growing car market

The recipe for increasing the result of the Machinery Division has been a doubling of the sales resources applied to new products and increases in selling prices. Clarence Chew, the divisional general manager, has invested in various niche sectors, such as high-pressure cleaners, vacuum cleaners, windscreen wipers and machinery components. The Danish "Gerni", high-pressure cleaner has been in the product range for some time. However, the acquisition of Gerni by Nilfisk, another Danish company, has resulted in a new thrust in this sector. The marketing of Nil-fisk products is now also in full swing in Malaysia.



*A "Gerni" high-pressure cleaner is demonstrated in Kuala Lumpur*

### PALLET TRUCKS AND WINDSCREEN WIPERS

Hyster fork-lift trucks and Nokia generating sets are two of the products at the heavy end of the equipment range.

The Division has also designed its own branded vehicle windscreen wipers, "Automax". These are manufactured in South Korea but are exported from Malaysia to various markets, including Finland. Great things are expected of the vehicle-accessory and machinery components sector.

# Malaysian timber for European window frames

**T**imber has been an important export commodity for South Asia for many years. However, because of the various restrictions which have been introduced by such countries as Indonesia, Thailand and the Philippines, Malaysia has suddenly found itself in a key position. Although the export of logs has now been forbidden in West Malaysia, sawn timber remains an important export for both East and West Malaysia. Malaysia has for some time adopted an approach, involving the encouragement of replanting, which is both environmentally positive and beneficial in export terms.

## TIMBER FROM BOTH EAST AND WEST MALAYSIA

EAC Timber has four Danish timber specialists in Malaysia. Two are based in Port Kelang and two operate out of Kota Kinabalu in East Malaysia. Very capable local staff as-

sist in both locations with field work and administration. The Meranti hardwood variety, which is used for window frames and doors is much in demand. Timber is purchased throughout Malaysia, sawn locally and then transported by truck to the ports. The syn-

ergy effect plays a part, with Nedlloyd-EAC Agencies looking after customs formalities. Throughout this process, the timber has been through a series of quality checks and perhaps kiln-drying before its protective packaging is checked one final time. Destinations for the timber include Europe, where EAC Trading Division's subsidiaries are responsible for its onward distribution.



*Tan Huan Chong and Flemming Thomsen inspect Meranti hardwood at the Port Klang drying kiln before it is exported*

# Strong growth in the transport sector

**T**he transport sector is growing so rapidly in Malaysia that Nedlloyd-EAC Agencies' office in Port Kelang is moving its sales force to Kuala Lumpur, where the large companies are situated. There are also representative offices in

other Malaysian centres. There is co-operation between Nedlloyd, EAC and local Malaysian partners.

## SELANDIA AND JUTLANDIA

The vessels used by the agency for Malay-

sian exports include the ScanDutch ships MS SELANDIA and MS JUTLANDIA, says Flemming Dam, Nedlloyd-EAC, adding that the market prospects for 1990 are good. The Port Kelang harbour has recorded a 25-30 per cent increase in activity during the past year.

## DUMEX PRODUCTS AND RACEHORSES

Among the agency's more unusual assignments have been the lifting of a sunken ship in Port Kelang and the despatch of racehorses to one of the sultanates. Other cargoes include malt from Carlsberg in Denmark for the Kuala Lumpur brewery, raw materials from New Zealand for Dumex products and fresh fruit for the Danish Irma supermarket chain.



*EAC's MS SELANDIA, one of the vessels operating the ScanDutch service, is loaded here in Port Kelang*



*Denmark House, EAC's new office building in Kota Kinabalu*

## Rapid growth in East Malaysia

**W**ith only two million of Malaysia's population of 17 million people living in East Malaysia, it is an area which could be easily forgotten – but

not by EAC. There is a long tradition of commercial involvement and The River Estates palm-oil plantation in northern Sabah is one of the region's largest.

### EAC'S DENMARK HOUSE IN KOTA KINABALU

EAC marked its 25th anniversary in Sabah last autumn by inaugurating Denmark House, its new office building in the provincial capital, Kota Kinabalu. The ceremony was attended by the Danish Ambassador to Malaysia, Jørgen Holm. On the same occasion, Paul Chin Bak Chong received an award to mark his 25 years as a member of staff in the Transport Division.

EAC's timber man for the region, Ole Sonne, also operates out of Kota Kinabalu. In addition, the Machinery, Graphics and Consumer Products Divisions are also putting effort into exploiting Sabah's commercial potential. The Dumex product range has already achieved a strong position.

### SANDAKAN THE EXPORT HARBOUR FOR RIVER ESTATES

The port of Sandakan, used as the export harbour by the large EAC River Estates plantation in Tomanggong, is situated in northern Sabah. Sandakan is the centre for EAC (M)'s palm oil and cocoa marketing activities and it is there that supplies for the plantation are packed for their 11-hour river voyage. Efforts are being made to introduce machinery and consumer products via Sandakan and there is a Carlsberg depot in the town as well.

### EAC IS IN SARAWAK TOO

EAC is also strongly represented in Sarawak, another of the Malaysian states, with offices in both the state capital, Kuching, and Miri. With the exception of plantation operation, the range of activities is the same in Sarawak as in Sabah.

### Ambassador opens new headquarters

A new era began at the end of 1989 for EAC in Malaysia, with the opening of new offices in both Kota Kinabalu and Sandakan. Both opening ceremonies were performed by Denmark's ambassador to Malaysia, Jørgen Holm. The picture shows the ambassador cutting the ribbon at the new Kota Kinabalu headquarters, assisted by Ib Henry Hansen, General Manager, EAC Copenhagen.

