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First published in theSun

**EARLIER** this month, there was a bit of a bump from the federal government when it announced that work on the second Penang bridge, scheduled for completion by 2012, would be delayed by another year.

The announcement had come as a surprise because it seemed so incongruous with the signs of economic ascent that the manufacturing sector is seeing following a long-drawn global economic slump.

For even as the news of the RM4.3 billion bridge's delay broke, high-tech industries in Penang already seem to be taking off.

And no where was this economic flight more symbolic than in an announcement by American avionics specialist, Honeywell Aerospace, that the flight control systems for Boeing's 787 Dreamliner would be built at the company's plant in Penang. The Phoenix-based company has already invested some RM520 million for its new facility in Seberang Perai.

But Honeywell's show of confidence in setting up a major international base in Penang is just one among a slew of major investments that the state is bracing for.

According to a source, a major chip designer, based in Silicon Valley, California, has already decided to plough in more than a billion ringgit for a regional headquarters in Bayan Baru.

Added to this is a bolt from the blue by German medical devices company B.Braun that it is enlarging its presence in Penang with a reinvestment worth €100 million (RM503 million) for a research and development facility. The move, which will be spread out over two to three years, would also mean the company will be hiring more Malaysians who are specialists in the medical devices field.

And this is on top of the extra RM300 million that B.Braun, which produces catheters at its 40,000 sq m premises in Bayan Lepas, had set aside earlier this year to increase its manufacturing capacity on a nearby plot.

Meanwhile, the jobs sector saw a surge in employment opportunities with more than 3,000 vacancies late last month. This spike in jobs came about rather astonishingly, especially since there was a shortfall of 30% in June.

As orders start to come in again, multinationals and Malaysian companies doing precious contract work have asked for the state's assistance to urge the federal government to relax regulations on hiring of foreign workers. Many businesses are hoping the government will support them by relaxing the hiring freeze implemented in January.

Even as the state began coping with a surge in demand, a consortium of about 50 heavyweight companies from India that are operating in Malaysia visited early this month. Calling itself the Consortium of Indian Industries in Malaysia, the group ended up identifying biotech and ICT as key sources of investment in Penang, with a few members already looking for funds to set up facilities in the state.

Interestingly, India has not been affected by the global slowdown as most other nations. Its growth rate is expected to be about 6-7% this year and forecasted to reach 8% next year. Seizing the opportunity, the Penang government is planning an investment visit to India early next year, to explore investments in industrial processing and tourism.

But news of these investments are just precursors to a wave of other business ventures that are about to hit Penang. According to a reliable source, a major American life sciences company is

on the verge of investing in the state, while another US-based wafer manufacturing giant has confirmed the setting up of a plant on the island.

These developments are bound to create ripples of confidence for Penang, which has a mature logistics and infrastructure network, and a pool of skilled personnel suitable for international corporations. But most of all, they would leave investors and local industries wondering if the federal government does indeed have a bit of catching up to do.