Optics Balzers Now Producing in Malaysia

Production for business in Asia commences at new site

Business in Asia is booming; Optics Balzers has established the production facilities at the new site in Malaysia as scheduled and has initiated the first test runs. The official opening is scheduled for November 18, 2016.

In early September, Optics Balzers has started to establish production with around 30 new employees in Penang on the west coast of Malaysia. According to Alex Vogt, CEO of Optics Balzers, it is becoming increasingly clear that the strategic decision to establish a new production site in Malaysia was a good one: “There have been various inquiries about high-quantity production projects from potential customers in Asia, and these resulted in actual orders very quickly.” Vogt is looking forward to the official opening ceremony, which will include a speech by the Chief Minister of Penang, Lim Guan Eng, who is the head of government of the Malaysian state of Penang. During the celebrations on November 18, 2016, Vogt and his team will provide guided tours of the production facilities and present products in the showroom. A reception and the traditional dragon dance will conclude the festivities.

Successful teamwork

Vogt explains that the prompt start of production is only possible because a team of about ten staff members was sent from Balzers to Malaysia to support the start-up phase. However, a significant share of the staff was recruited in Malaysia. Vogt stresses, “It was very important for us to be able to rely on good teamwork right from the outset.” Vogt says that the next few months are mostly aimed at handing over the responsibilities of the production process to the local staff while ensuring consistent quality. He explains that the specialist staff will then be able to return to
their respective sites in Europe, where they will once again be in charge of further new developments and challenging customer projects.

**New site, new products**
Both the transformation of the existing property and the foundation of the company could be performed in an unusually fast manner. After the company incorporation in February, the machinery was installed as early as August. The processes are currently being certified in accordance with the established quality standards. According to Vogt, the production site in Malaysia is the ideal addition to the headquarters in Balzers, Liechtenstein, and to the German plant in Jena. Vogt adds that production is being expanded rather than relocated: “The new production site enables us to exploit the market opportunities immediately and helps us to purposefully expand our market shares in Asia with new customer projects and new products.”

**Attractive future markets**
The company’s focus is going to be on optical solutions for applications in attractive future markets. Vogt gives the example of computer-based applications to aid or enhance human perception of reality (“augmented reality”) and the creation of visual worlds formerly not visible to the eye (“virtual reality”). Another example of the diverse fields of application for Optics Balzers products are mini- or pico-projectors. The demand for these devices is enhanced further by two current mega trends which call for sophisticated optical components: “wearables” – micro computer devices which are worn on the body and assist in everyday activities – and “internet of things (IoT)” – a network of intelligent physical objects which increasingly replace computers. Vogt explains, “Not only do our components help simplify the daily routine – sometimes, development of such new products wouldn’t even be possible without our components.” These product development processes are frequently designed for the production of very large quantities and are highly challenging and customized.

**More highly trained staff**
Vogt emphasizes that the new site in Malaysia will ultimately also strengthen the European sites: “Expanding to Asia specifically boosts the development of new products, skills and know-how in Jena and Balzers, where we mainly work on new products until they are ready for series production. This opens up new opportunities for the sites in Europe and facilitates continued positive development. Therefore, the need for new and highly qualified employees is going to keep increasing.” The company’s development over the last few years illustrates this trend: Since
Optics Balzers’ re-transition to independence in 2009, revenue increased from just under 30 million Swiss francs to approx. 40 million Swiss francs in 2015. With the start of production in Malaysia, there should be a significant increase in overall revenue this year and particularly next year, which in turn has an impact on the number of employees.

Captions:

The new production site in Penang, Malaysia is ready. The official opening is scheduled for November 18.

Paraveen Singham, Managing Director of Optics Balzers Malaysia is proud that the new production site could be established within such a short time frame.

Christian Rinner (second from left) and Matthias Warnke (fourth from left) from Balzers are part of the transfer team. Their place of work has been relocated from Liechtenstein to Malaysia for over four months.
Optics Balzers (located in the Principality of Liechtenstein) has been the preferred partner for providing innovative optical coatings and solutions for 70 years. Together with its subsidiaries in Jena (Germany) and Penang (Malaysia), Optics Balzers is a global leader in the supply of optical coatings and components. The Liechtenstein-based high-tech company focuses on selected markets such as Automotive, Sensors & Imaging, Biophotonics, Space & Defence, Lighting & Projection, and Industrial Applications. The products and services offered range from optical coatings and glass processing, patterning and bonding technologies to the manufacture of complete optical subassemblies and are acknowledged as being unique worldwide. Optics Balzers employs around 220 members of staff worldwide.

Additional information:  www.opticsbalzers.com