

# Growth in OPTICS

In 1975 the region was embarking on a period of economic development that would lead to the creation of the Tiger economies. In Malaysia, Penang proved to be an attractive location for business.

The island haven off Malaysia's north-west coast boasts fine beaches and a cultural mix of east and west blended from its days as a thriving international spice trading post. The capital – Georgetown – has retained its fascinating collection of old buildings bearing the stamp of successive Malay, Indian, Portuguese, Dutch and British influences.

On top of this rich legacy, cosmopolitan Penang had three distinct advantages for business. Labor costs were low. An educated, largely

That was the start of something big. Expansion has taken the work force from around 80 to over 500 today. As one of the first multinational corporations to be established in Penang, Schott's presence was a helpful point of reference for the local government in its efforts to attract other investors. Nowadays the island is known as "Silicon Penang" with such international household names in computer electronics like Hitachi and Intel located there.

## Lenses and prisms

On May 1, 1975 Schott Glass Malaysia began production of optical glasses for Asian and European markets. Lenses

and prisms were manufactured using a reheat pressing process in the Perai plant located in an industrial zone near Georgetown. Much of the output was tailored to meet the requirements of a reflex camera manufacturer in Singapore, while also serving as an extended workbench for Schott headquarters in Mainz.

With a quarter century of success behind it, Schott Glass Malaysia is looking ahead to a promising future.

In 1991 the course of Schott Glass Malaysia's development was altered significantly with the introduction of multiple pressing of optical blanks for camera optics. Up until then one stroke of the pressing machine produced only one piece. New machines stamped out 18 pieces with each stroke.

Quality control of finely polished prisms.



English-speaking population made it easy to conduct business. And the government was open-minded towards foreign investment, offering incentives through the Penang Development Corporation (PDC). This combination convinced Schott to form Schott Glass Malaysia in 1974. The PDC contributed 24,000 square yards (20,000 square meters) of land for Schott's first manufacturing plant in Asia.



Whether professional or amateur, digital or conventional – glass is and remains a significant element of the optical systems used in video and still photo cameras.



*Digital projection calls for maximum precision in determining refractive index.*



### Chance for future with electronics

Just as Schott picked the right time to expand into Malaysia, so Schott Glass Malaysia is making a timely move to capitalize on the burgeoning consumer electronics industry. A major boost was ISO 9002 certification gained in 1996. The high consistency of quality and reliability in administration, production and logistics has positioned the company to provide optics for new multimedia devices like digital still and PC cameras and LCD projectors. "The business with those products is for us to grab", stresses Dr. Simon. "Our new business will be consumer electronics and this business demands that we are fast, precise and inexpensive."

A two-fold strategy is in effect. One aspect is expanding market share and growing with the market. "We are trying to use these new products to go downstream because it offers us a window of opportunity," explains Dr. Simon. This requires adding value by removing client in-house processes. Currently customers do their own grinding, polishing and coating, but the huge upswing in the multi-media business is creating a capacity shortage. "So they are really happy if we can offer them value-added products". The basic commodity is a prism bar, in ground and polished versions, for the color cube inside LCD projectors. "In both cases the products were originally established on customer request since this allows them to reduce their investment risk for this fast growing market and to focus on their coating process," explains Dr. Simon.

### Business & social contribution

Schott Glass Malaysia aims to be more than a successful business. It also contributes to the development of Malaysia, as Dr. Roland Voigt, a member of the Schott Board of Management, pointed out in his 25th anniversary message. This was epitomized by the recent ISO 14001 certification that a

viable environment system is in place. guarding the future by creating a safe working environment runs extensive training provides company-f benefits in addition government scheme.

Twenty-five years later Malaysia is at the optical glass industry is maintaining the growth in the new market in order to establish a player in this field ■

past three years has ment and is expected cent in the current

