

Malaysia

Business, Management



Malaysia- An analysis of the local and international industries in the economy of the country Malaysia is a country with growing economy which makes it stand as the 19th largest trading nation in the entire world. Malaysian economy grows by more than six percent ever since 2008. However, it is expected that the economy of Malaysia will continue to grow and expand with the passage of time and by the arrival of different multinational corporations within the country.

Multinational Businesses:

Malaysia stands as the most attractive country for the foreign direct investment with 20 other countries. It has been estimated that over 60 multinational corporations have invested in more than 3000 local manufacturing companies in Malaysia. It is a known fact that Malaysia is considered as an ideal country for manufacturing and other service based operations. Today, Malaysia stands as an export-driven country with a strong economy and holds a potential to excel further in future.

Multinational Business, Economic and Government Policies in Malaysia:

Malaysia is the only country with flexible governmental policies which ensure and safeguard the rights and provide opportunities of growth to the multinational businesses. Therefore, we cannot ignore the fact that Malaysia has become widely known for its manufacturing and export services in the region. Government institutions have played a key role in determining the success of international and local businesses within the country due to their commitment in safeguarding and promoting different businesses within the country.

Liberal Equity Policy:

Foreign investors in Malaysia can hold up to 100 percent of their equity rights in the manufacturing sector and the projects that allow them to export 80% of their products. However, government has facilitated the foreign investors to now hold 100% of equity rights in all new and existing projects without considering the percentage of their export products (Raman, 2008)

Employment and Labor Market:

Malaysia is known for its young and dedicated workforce on competitive wages in the region. Malaysia is the only country where the human workforce is supported by the government policies due to their commitment and quality of work.

Role of Local Industries in the Economy:

The economy of Malaysia is heavily dependent on manufacturing and, oil and gas industry. These industries stand as the backbone of the economy. It has been observed that Malaysian government has played an effective role in industrialization and economic development of the country. Malaysia also stands as one of the ASEAN's leading exporters of furniture due to the availability of cheap local wood. Malaysian furniture holds a significant place in international market. Malaysia possesses a share of total 37% in US furniture market, 14% in Japanese market with 9% in both Singapore and UK furniture market (Bakri)

Role of Technological Development in Malaysian Economy:

With the passage of time, Malaysia is the only Asian country which is emerging as a new competitive economy with strong and technology-driven economy based on high-tech productions. Technological development and diffusion has played an important role in becoming the success factor in both

international and local markets. The growing foreign investment within the country has enabled the local industries to acquire the technological advancements adopted by the foreign investors. This has resulted in increased competition between local and international businesses within the country (Mun-Chow Lai and Su-Fei Yep).

Works Cited:

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Mun-Chow Lai and Su-Fei Yep. 'Technological Development in Malaysia and the Newly Industrializing Economies: A Comparative Analysis.' Asia-Pacific Developmental Journal, vol. 11, no. 2 (2004)