

Example of doing business in malaysia research paper

[Finance](#), [Investment](#)



Introduction

Malaysia is a nation positioned in the South East of Asia. The country practices a federal constitutional monarchical system, with control of 13 states. The nation lies in a space of 127, 350km² with Kuala Lumpur as the capital city. The country shares land and maritime on both ends with the neighboring nations such as Thailand to the East and Singapore to the West. This essay seeks to examine the political, economic, social structure in relation to doing of business in Malaysia.

Political system, governance and Religion

As a point of departure, the political milieu of this nation has been relatively stable and this is immensely attributed to the governance system. The governance system is attributed to the elective monarchical system. A king heads the nation and the prime minister is the leader of cabinet. Despite the fact that, race defines the political trend in Malaysia, the policies attributed to the political parties have made the nation to experience tolerance and a relatively stable political milieu, which is good for business investment (Bjorkman, Toll, Big World Inc & Price Waterhouse , 1997). It is imperative to note that, the nation is focused in expanding its economic policy through the political movements and parties, and this has created a trend where the individuals primarily determine the elective positions who come up with sound economic trends. This has changed the internal structure of doing business in Malaysia with leaders debating on ways of expanding the local space from the foreign multinational and other individual investors and at the same time expanding the international market for their goods. This culture is

trending very fast with the Malaysian businesspersons and companies linking themselves to the international market and trading trends. This brings us to the aspect for international relationships between Malaysia and the rest for global world.

On the aspect for religion, most of the Malaysian communities practice Buddhism, which does not affect trading relations in any way.

Foreign Relations of Malaysia and the rest of the World

In terms of connectivity with the rest for the world, Malaysia has made prompt moves to ensure it is linked with various nations through organizations such as the Association of the Southeast Asian Nations and others at the local level. In addition, in the international global links, the nations participate in events and conferences organized by the United Nations and this bring this nation to the international scene (Goh, 1996). The general image created when a nation is involved in the international events under the auspice of the an international organization is pleasing and creates confidence in any international multinational that may have an interest in investing in the nation. It is imperative to note that, the international image a nation creates is fundamental in attracting investors (Goh, 1996). An investing milieu is characterized by the peace and tranquility throughout the trading period and the rest of the time. This implies that news of war may be inter-tribal cleaning and political squabbles that lead to unrest and demonstrations may not be a good indicator of a serene milieu of doing business.

Take for instance, the numerous unrests witnessed in Syria, Libya, and

Palestine among other Asian nations in the recent past indicate a hostile environment, which cannot be serve the interest of businesspersons. It is worthy noting that, the association of Malaysia with the international community puts it in a strategic position of getting aid in terms of security and surveillance in the event that, an aggression situation ahs occurred (Goh, 1996). This helps restoring peace within the short time. What does this imply to the businesspeople? In line with recuperation attitude, after an incident such as civil war has occurred, the businesspersons are assured of a faster normalcy and continuation of business. This is one of the convincing reasons as to why people who desire to invest in Malaysia should consider.

Economic Policy and Trade Regulation

Malaysia's economic policy is superb in the sense that, it has sustained its trend indicators since 1957 up to 2005, within which the nations experienced a growing economy of an average of 6. 5%. The Malaysian GDP trended well in 2014 with a mark of \$746. 821 billion, making the country the third largest economic powerhouse in Asia. What is normally significant for their investors, particularly the multinationals, is the living standards of the populace in a particular nation. The living standards in tandem with the GDP, offers a clear image of the internal business and market structure of a nation. In addition, the GDP helps in determining the market size and the habit of the populace in spending. It is worthy noting that, the Malaysian market represents one of the few nations in Asia with an open state-directed and newly developed market economy, characterized by the industrialization. In essence, a nations where industrialization is taking root

has numerous open market for assorted goods and serves which may range from supplying to the industries tools such as machinery and offering services such as maintenance and repair (Price Waterhouse (Firm)., Price, Waterhouse & Co., Price Waterhouse (Firm), & Price Waterhouse World Firm Services BV, Inc, 1977). Malaysia is far reaching in terms of favorable economic policies, which support both the internal and external trade. In addition, the Strait Malacca shipping route, this connects Malaysia with the rest for the world. In addition, the government of the Malaysia has embraced the Free Trade Agreement, which has formed the foremost contributor to the overall Malaysian economy. On a similar note, the Malaysian economic and trade policy in relation to the internal trade, stipulated that, its endeavors harbors in the creation of the most liberal and fair international market with serene trading conditions.

It is imperative to note that, any trader interested in investing in the Malaysia should be aware of the economic policy and rules that guide the international trade, particularly in a nation that advocates for an open market with its local and international members. It is encouraging to note that Malaysia's market space is not limited to the local scene but is well advanced to the international arena through international trade organizations such as the world trade organization. This is a confirmation to investors that Malaysia being on the international arena in terms of trading links; it is a safe haven to carry out business activities in large scale with fear of losses resulting from poor trade and economic policy (Ernst & Young., 1992).

What traders should know about Malaysia?

The offering investors have an investment Trustee that offers guidance on the trading trends and the needed requirements in order to invest and trade with ease. These Trustees act as protectors of these multinational from the discrimination and unfair treatment. This is a sure way of assuring the foreign investors that, Malaysia is a safe haven to trade in (Ernst & Young, 1992). In addition, the Malaysian tax system on the international investors is relatively flexible, thus making the cost of begging an investment on the soils of Malaysia cheaper compared to other nations such as China, which and a rigid taxation and economic policy which encourages internal investment.

Advantages and disadvantages of Trading in Malaysia

The Foreign investors are assured of their safety and that of their businesses. This is because the nation has an intensive security system, which is harbored by a stable political milieu. In addition, the nations offer a relatively flexible tax system to the foreign investors by allowing them exempt on the income (Ernst & Young, 1992). On the other hand, it is disadvantageous to trade in the Malaysia because of the surrounding milieu, which is full of chaos, and this offers an unpredictable situation in the future. This uncertainty sums up all the disadvantages that may be attributed to the trade links with and within Malaysia.

In conclusion, business climate in Malaysia is good for investments both locally and at the international arena. It is imperative to note that, the needed milieu for any business be either small or a multinational

organization to thrive well and reap profits is available. Hence, investors who need to invest in this nation should bear in mind that all is well in Malaysia and with government policy in trade and economic expansion; investors are assured of the safety for their businesses.

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