

The kohinoor foods ltd economics essay

[Economics](#)



**ASSIGN
BUSTER**

The Kohinoor foods have gone by few unforgettable milestones, during the liberalisation they feel that is the opportunities to interaction with the overseas client. The Kohinoor Foods business has grown bigger and become mainstreams of rice exports from India. Before that the Kohinoor Food is named as Satnam Overseas limited. The Kohinoor food established their second rice processing plants, this made them more foothold in the market even though in the international market. While the business became bigger they also face the competitor. They introduced concept of exclusive distribution to maintain their business. In this concept the distribution has commitment with Kohinoor foods and they cannot sell other competitor product. This idea also strengthened the business of the company and made their name stronger. The Kohinoor foods is the first company that sell rice in 1kg and 5 kg, and made the people more easy to get the rice, before that the rice is sold in loose form. Besides that, they got rice business, they also made the business more bigger nowadays they have the branded packaged convenience foods and took authentic Indian flavour abroad with Ready-to-Eat Indian curries and authentic Indian Ready-Meal preparations. To meet the target they also established a food processing. The Kohinoor business grew until to the UK, they set a first overseas basmati rice processing unit to strengthen the UK market. They grew and gained more multi business until frozen food also got their business, as usual they set up the frozen foods facility to start to serve the people. They also started supplying the frozen product to the international market. The company is recognized by so many awards to maintain their business in the India even international market. Previously Malaysia is a country that dependent on agriculture and primary commodities, the countries today have become an export economy spurred

<https://assignbuster.com/the-kohinoor-foods-ltd-economics-essay/>

by elevated technology, well know awareness-based and investment-demanding industries. These countries have a dynamic business environment and located in the south East Asia it has a cost competitive location to attract the investor to setup operations. The latest political issue in Malaysia at April 7, 2013 and according to The Sun newspaper, the reporter highlights the title of Barisan Nasional (BN) sets sights on enhancing security for public safety. The news written that, Malaysian feel secure if it is come back with the energy in the forthcoming of 13th general election that continue to solemn promise by the BN. The Prime Minister Datuk Seri Najib Abdul Razak last night (April 6, 2013) was uncovering the election declaration. Furthermore, while the event was ongoing, he was guarded over his nearest place with the police included police motorcycle patrol unit with another vehicles. The BN government will do with their full energy to give citizen with comfortable for a protection, this was referring to page 31 in declaration theme ' People First'. ([http://www.thesundaily. my](http://www.thesundaily.my))The 13th general election for the Malaysia can show that this time very competition against with the pervious election. The people of the country want to change government due to the feel that current government have cannot fulfil their need and wants. However, election will not stop the activity of the business, the Malaysia is the political stable country even through the country are occurring the general election but they would not stopping the business activity. The culture in Malaysia are multi types, this country have indian , malay and chiniese be their main group people. Besides that, the religion in the country also different, as an example malay is islam some how some Indian also will choosing islam be their religion. In Malaysia setup actually is not an easy thing due to the culture and the buying habits. However,

<https://assignbuster.com/the-kohinoor-foods-ltd-economics-essay/>

Malaysia is an exception to the rule in terms of following an outright to understand fully about culture policy, the Malays, nonetheless, persevered on the structure of national culture discover on their . The Malaysia national religion is Islam but the people are freedom to their own religion. The malay people normally just took the pork free foods and the product have put halal certificated, if the company need to targeting the malay as their consumer they need to apply the halal certificated for their product. On the other hand the Chinese belief was based on great or dynamism and persevering in supporter equality of status for every culture in the society. Furthermore, Mandarin is one of the official languages, equal treatment of Chinese culture and religion and equal acknowledgement of and rights to education in mother tongue. For the notion of a " Malaysian Malaysia" was forcefully captured by the Chinese demand for complete equality. When the state inflicted enhancing regulations and restrictions on the rights to stage cultural performances or obtain the land to construct a Chinese schools. The purpose of this, the Chinese religion tried to protect and struggle to maintain the cultural surrounding and the rights. The Indian community in Malaysia is the smallest number of of the three main ethnic groups, accounting only 10% of the country's population. Indians first came to Malaya for barter trade, especially in the former Straits Settlements of Singapore, Malacca and Penang. The Indians who came to Malaysia brought with them the Hindu culture - its unique temples, delicious cuisine and bright garments. Hindu tradition remains strong until today in the Indian community of Malaysia. For the foreign investors who intend to set up their business in the industrialized and services sectors in the Malaysia, they need to contacts Malaysian Investment Development Authority (MIDA) This department has established <https://assignbuster.com/the-kohinoor-foods-ltd-economics-essay/>

a worldwide network of 24 overseas offices to assist those investors concerned in establishing industrialized projects and services. (<http://www.mida.gov.my/env3/index.php?page=invest-in-malaysia>) Malaysia's economy is the third-largest in South-East Asia behind Indonesia and Thailand, has grown steadily since recovering from the 1997-98 Asian financial crisis. GDP declined by 1.5 per cent in 2009, due to the global economic crisis, before recovering to 7.2 per cent growth in 2010. The Malaysian Government is forecasting 4.5-5.5 per cent growth in 2012. Malaysia continues to have a large trade surplus (with continuous monthly trade surpluses since November 1997). Inflation was 3.2 per cent in 2011 and is forecast at 2 per cent for 2012. Malaysia has run a budget deficit since 1998. Following a RM 60 billion (\$25 billion) stimulus package in response to the global economic crisis, the budget deficit increased to 7.4 per cent of GDP in 2009. The Malaysian Government projects a budget deficit of 4 per cent of GDP in 2012. Since years 1957, Malaysia has been transformed from a commodity-based economy to one of the world's major producers of electronic and electrical products. Malaysia is a significant trading nation as measured by trade as a share of gross domestic product (GDP), with its goods and services exports amounting to around 100 per cent of GDP. Manufactured goods make up a large portion of Malaysia's exports, including electronic and electrical products — which according to the Malaysian Government comprised 29.5 per cent of the value of total merchandise exports in the year to January 2012. Malaysia is also the world's second-largest exporter of palm oil and one of the region's major oil and gas exporters. According to key development indicators, Malaysia is now a high middle-income, export-oriented economy, with per capita GDP (in current <https://assignbuster.com/the-kohinoor-foods-ltd-economics-essay/>

prices) of US\$10, 085 in 2012, life expectancy of 74 years and gross primary school enrolment of 100 per cent of the school-age population. Malaysia's economic development policies are enunciated in a number of guiding documents which include: Vision 2020; the National Mission (2006-2020); the Tenth Malaysia Plan (2011-2015); the New Economic Model (2010); and the Economic Transformation Program (2010). The National Mission provides a framework for Malaysia to achieve Vision 2020. It builds on previous policies including the National Vision Policy (introduced in 2001), the National Development Policy (introduced in 1991) and the New Economic Policy (introduced in 1970). These policies were designed to eradicate poverty and advance the economic position of Bumiputeras. While the Government's target of 30 per cent Bumiputera ownership of capital has not been achieved, there has been a significant shift in the balance of ownership, coinciding with the emergence of an influential new class of Bumiputera entrepreneurs. The Tenth Malaysia Plan (2011-2015) is the Malaysian Government's economic blueprint for the next five years. The plan places an emphasis on becoming a high-income nation, inclusiveness and sustainability. Since his appointment in April 2009, Prime Minister Najib has set out a number of reforms aimed at liberalising the economy, especially the services sector. Service sector liberalisation has included the removal of the 30 per cent Bumiputera equity ownership requirement in 27 service sub-sectors, issuance of new foreign commercial banking and insurance licences, and the removal of the 30 per cent Bumiputera equity requirement for publicly listed companies. In October 2010, Prime Minister Najib also launched an Economic Transformation Program, which proposes to facilitate private-public partnership projects that would promote Malaysia's economic

<https://assignbuster.com/the-kohinoor-foods-ltd-economics-essay/>

growth. In December 2010, the National Economic Advisory Council published the concluding part of two papers on a New Economic Model for Malaysia, presenting an overall framework for transforming Malaysia from a middle income to an advanced nation by 2020. At the conclusion, even though the Kohinoor Foods running their business smoothly in their own India country, and other country. Nevertheless, if they need to set up business in Malaysia they have to study or do a research in Malaysia. The purpose of doing a well research, it will show them the barriers that preventing them to enter Malaysia market such as political, legal, cultural and economic issues. To whatever businesses intend to enter the global market, they have to acknowledge and accept the other countries politic, legal, culture and economic. For example, Malaysia is multi religion country, so, they should not set the target on Hindu and Indians market, and they have to include Malays and Chinese as well. On the other side, the Kohinoor food has to accept the rule and regulation that have set by Malaysia government, before set up a business in Malaysia. Other than that, the investor has to study about political issues in Malaysia. The latest issues, is the general election declaration on April 6, 2013.