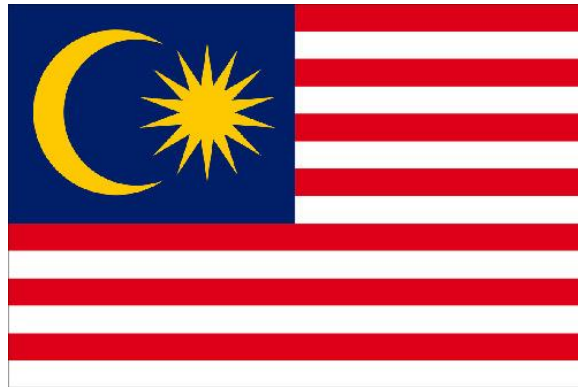


# THE ASEAN BUSINESS OUTLOOK SURVEY 2012

## MALAYSIA REPORT



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# 1. INTRODUCTION

## Research Background & Objectives

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The American Chamber of Commerce in Singapore (AmCham Singapore) and the United States Chamber of Commerce, in cooperation with other AmChams in the ASEAN region, conducted a study among U.S. companies based in seven Southeast Asian countries: Cambodia, Indonesia, Malaysia, Singapore, the Philippines, Thailand, and Vietnam.

This study is now in its 11<sup>th</sup> year. The purpose of the study is to understand members' outlook on business growth in Southeast Asia and their perceptions about a series of local factors. The members surveyed were senior executives, working with a company held by or with an American majority interest. For the first time in 2012, multiple senior executives from each company were surveyed. AmCham Singapore and the U.S. Chamber of Commerce developed a survey design using a web-based instrument.

This report presents the feedback received from executives of U.S. companies in **MALAYSIA**.

## Survey Methodology

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Table 1.1

<b>Survey Scope:</b>	Senior Executives of U.S. Companies based in Malaysia
<b>Sample Size:</b>	A list of <b>224</b> AmCham members with e-mail contacts was provided by AmCham Malaysia. Response rate was about 13% (30) at the end of the data collection period.
<b>Data Collection Method:</b>	Web-based, self-administered survey. No enforcement on participation.
<b>Data Collection Period:</b>	June 15, 2012 to July 3, 2012

**Note 1:** Percentages may not add up to 100% due to respondents choosing "I don't know" or "Not applicable."

**Note 2:** For the first time in 2012, multiple senior members from each U.S. company were asked to complete the survey.

## Sample Profile (See Appendix A)

- The majority of respondents (63%) are responsible for multiple countries. This is the highest recording in nine years.
- The percentage of respondent member companies in the services sector and manufacturing sector were 28% and 55% respectively.
- 17% of respondents had fewer than 50 employees in the regions, and an additional 47% had a workforce between 50 and 500 employees in the region.
- The largest portion of respondents (33%) had a turnover between \$1 million and \$50 million in Malaysia in 2012. Malaysia turnover accounted for less than 5% of global turnover for 70% of respondents and between 25% and 50% of ASEAN turnover for 17% of respondents. Other ASEAN countries with significant turnovers for Malaysia respondents were Indonesia (26%) and Singapore (17%).

# BRIEF OUTLINE OF RESULTS

## BUSINESS OUTLOOK

### ASEAN Economic Outlook:

- 94% of respondents maintain a positive or very positive outlook for the ASEAN region as an investment opportunity for their companies.

### Current Business Climate:

- Respondents facing significant financing constraints decreased from 15% in 2011 to 3% in 2012.
- Most respondents (87%) do not face higher costs of borrowing, an increase from 63% in 2011.

### Importance of ASEAN Markets in Global Business:

- 53% of respondents report that ASEAN markets have increased in importance to their companies in the past two years.
- The majority of respondents (60%) expect ASEAN importance to increase in the next two years.

### Business Direction and Movement in ASEAN:

- 70% of respondents' companies plan to expand in ASEAN, and none expect to contract.

### Profit Outlook:

- 70% expect a profit increase in 2012.
- 80% expect a profit increase in 2013.

### Workforce Expansion:

- 50% expect a workforce increase in 2012.
- 40% expect an increase of 5 to 10%.

Figure 1: Profit Outlook for 2013

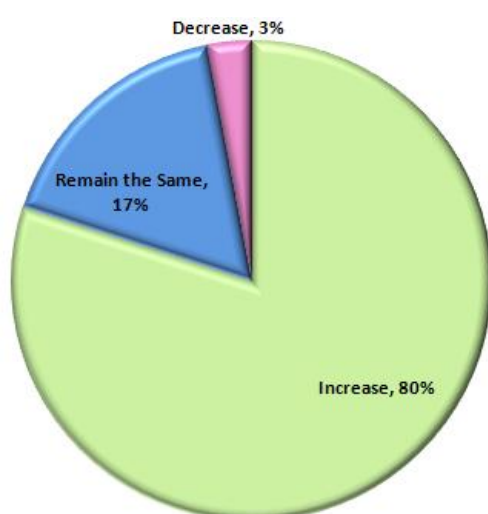


Figure 2: Economic Outlook for Investment Opportunities in ASEAN

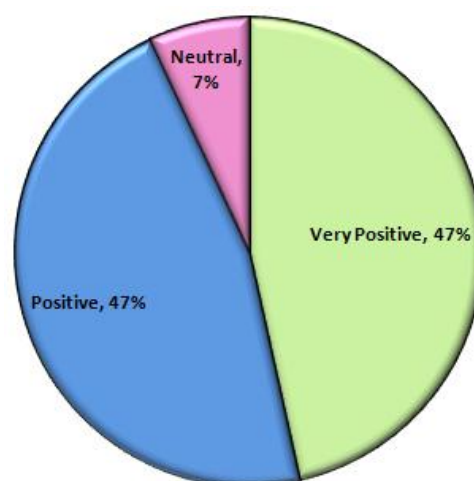
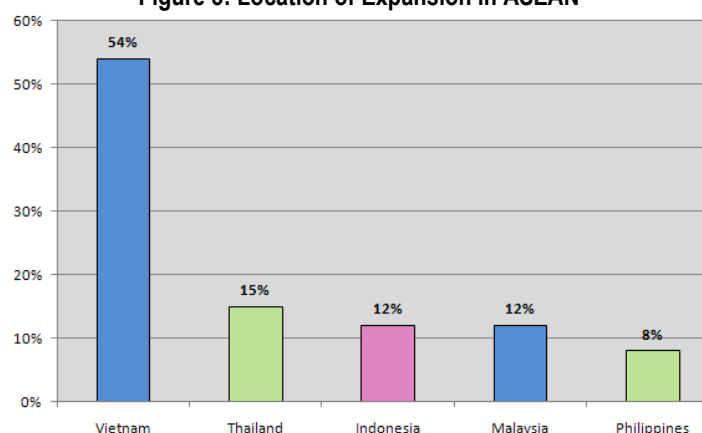


Figure 3: Location of Expansion in ASEAN



Major Strengths (% Satisfied)	Major Concerns (% Dissatisfied)
Infrastructure (90%)	Corruption (48%)
Sentiment towards the U.S. (76%)	Personal security (38%)
Office Lease Costs (72%)	Housing costs (31%)
Free movement of goods within the region (66%)	
Ease of moving your products through customs (66%)	
Stable government and political system (62%)	

## 2. BUSINESS OUTLOOK

### 2.1 Current Business Climate

Table 2.1 Financing Constraints and Costs of Borrowing

	2009	2010	2011	2012
<b><i>Is your company facing significant financing constraints?</i></b>				
<b>Yes</b>	24%	15%	15%	3%
<b>No</b>	76%	85%	85%	97%
<b><i>Is your company facing higher costs of borrowing?</i></b>				
<b>Yes</b>	25%	30%	37%	13%
<b>No</b>	75%	70%	63%	87%

- ◆ The majority of companies do not face financing constraints (97%) or higher costs of borrowing (87%).
- ◆ In 2012, a lower percentage of companies are facing significant financing constraints (3%) than in 2011 (15%). The percentage of companies facing higher costs of borrowing in 2012 decreased from 2011, from 37% to 13%, reversing the upward trend from 2009 to 2011.

### 2.2 Importance of ASEAN Markets in Global Business

Table 2.2.1 Importance of ASEAN over past two years

	2009	2010	2011	2012
<b><i>Have ASEAN markets become more important or less important, in terms of worldwide revenue, to your company in the past two years?</i></b>				
<b>More Important</b>	50%	55%	60%	53%
<b>Remained the Same</b>	44%	35%	35%	47%
<b>Less Important</b>	3%	10%	5%	0%

- ◆ The majority of respondents (53%) stated that ASEAN markets have become more important to their company in the last two years in terms of worldwide revenue, a decrease from 2011's figure of 60%, though similar with earlier years.
- ◆ None of the respondents believe that ASEAN markets have become less important in the last two years, a decline from 5% in 2011.

Table 2.2.2 Importance of ASEAN over next two years

	2007	2008	2009	2010	2011	2012
<b><i>Does your company feel that ASEAN markets will be more important, less important, or have the same importance for your company's worldwide revenues in the next two years?</i></b>						
<b>More Important</b>	51%	59%	56%	55%	75%	60%
<b>Remain the Same</b>	43%	36%	33%	40%	20%	37%
<b>Less Important</b>	6%	5%	3%	5%	5%	0%

- ◆ The majority of respondents in Malaysia (60%) predict that ASEAN markets will be more important for their company's worldwide revenues in the next two years, a decrease from 2011's figure of 75%.
- ◆ For the first time, no respondents in Malaysia predict that ASEAN markets will become less important in the next two years.
- ◆ The percentage of respondents who predict that ASEAN importance will remain the same increased from 20% in 2011 to 37% this year.

Table 2.2.3 Reasons why ASEAN markets will be more important in terms of worldwide operations and revenues in the next two years

	2009	2010	2011	2012
<b>Economic Recovery</b>	94%	80%	67%	0%
<b>Improvement in Infrastructure</b>	47%	30%	40%	0%
<b>Increased Availability of Trained Personnel</b>	18%	10%	20%	16%
<b>Favorable Government Policies</b>	35%	40%	27%	0%
<b>Limited Growth Opportunities in Other Regions</b>	41%	40%	40%	11%
<b>Stable Political Conditions</b>	29%	10%	13%	26%
<b>Change in Business Strategy</b>	41%	20%	40%	37%
<b>Other</b>	6%	60%	20%	11%

\*Participants were allowed to select 3 reasons but, in 2012, responses were tabulated to sum up to 100%.

- ◆ Changes in business strategy replaced economic recovery as the top reason for believing that ASEAN markets will be more important in the next two years.
- ◆ The top 3 reasons why ASEAN markets will be more important in worldwide operations and revenues in the next two years are changes in business strategy (37%), stable political conditions (26%), and increased availability of trained personnel (16%).

## **2.3 Trade and Investment in ASEAN**

Figure 2.3.1 Outlook on ASEAN as an investment opportunity

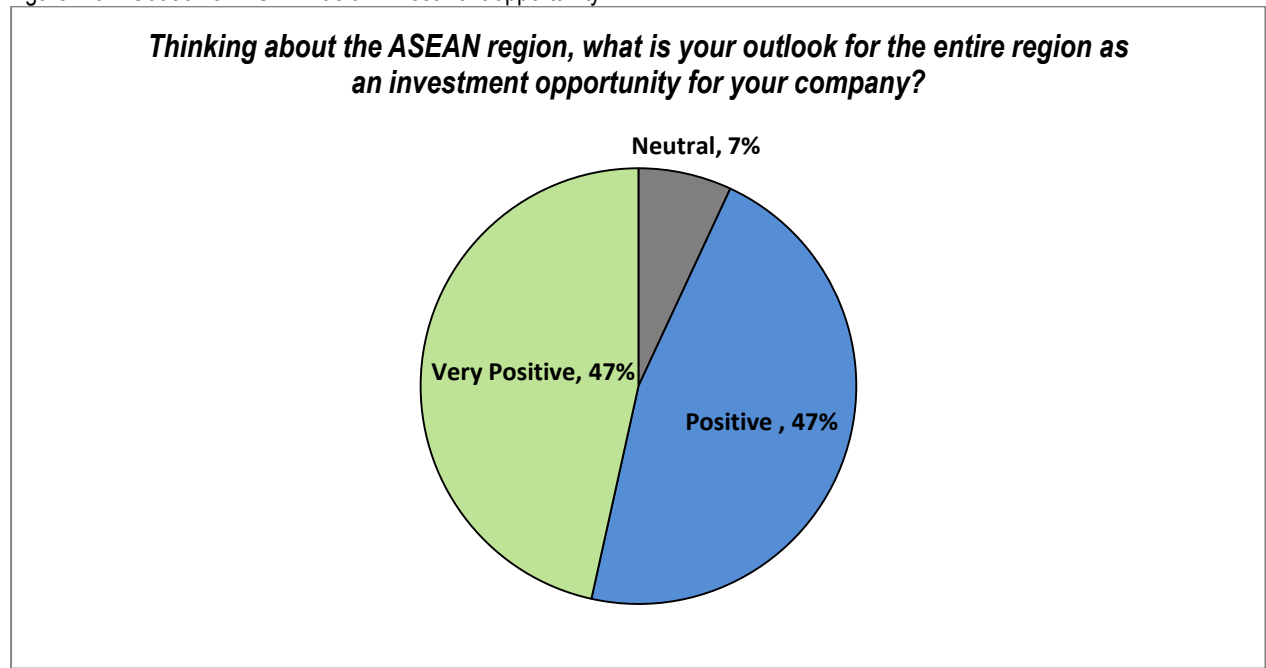
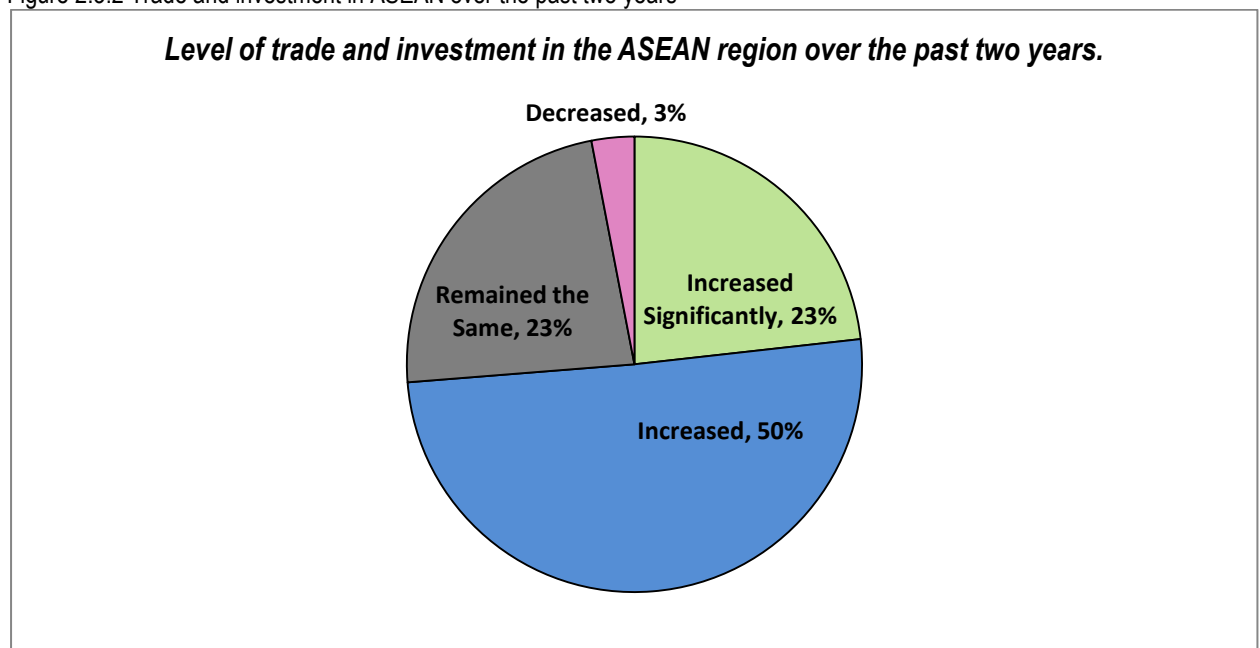


Figure 2.3.2 Trade and investment in ASEAN over the past two years



- ◆ Almost all respondents in Malaysia (94%) have a positive or very positive outlook on the ASEAN region as an investment opportunity.
- ◆ Over the past two years, 73% of respondents indicated that their company has increased or significantly increased their level of trade and investment in the ASEAN region.
- ◆ No respondents in Malaysia have a negative outlook on the ASEAN region as an investment opportunity, and only 3% indicated that their companies had decreased their level of trade and investment in the region over the past two years.



Figure 2.3.3 Trade and investment in ASEAN over the next 5 years

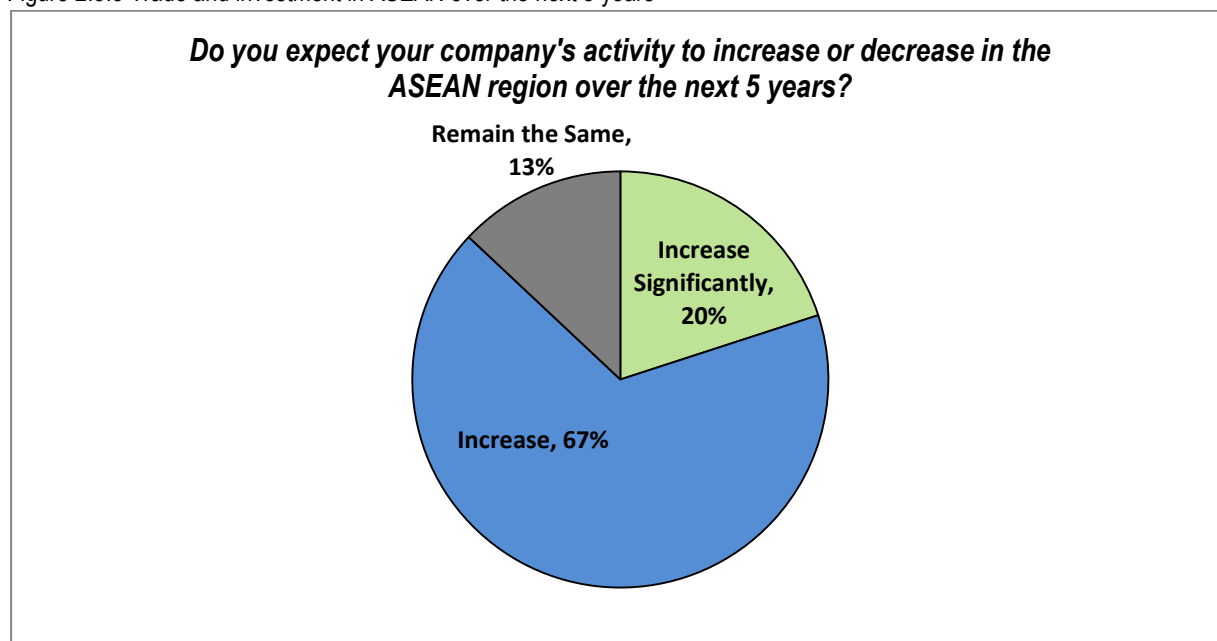


Table 2.3.1 Trade and investment percentage growth over next 5 years

<i>By about what percentage do you believe trade and investment will grow in the ASEAN region over the next 5 years?</i>				
Percentage Growth	0% - 10%	11% - 20%	21% - 40%	41% -100%
Percentage Respondents	46%	19%	23%	12%

### **TOP THREE REASONS WHY YOUR COMPANY'S TRADE AND INVESTMENT WILL INCREASE IN THE ASEAN REGION:**

- ◆ **Diversification of Customer Base (23%)**
  - ◆ **Stable Government and Political System (19%)**
  - ◆ **Tied – Increasing Market Share, Adequate Laws and Regulations to Encourage Foreign Investment (15%)**
- 
- ◆ The vast majority of respondents expect trade and investment in the ASEAN region to increase or increase significantly over the next 5 years (87%).
  - ◆ 46% of respondents anticipate growth of trade and investment in ASEAN between 0% and 10% over the next 5 years.
  - ◆ Respondents cited diversification of customer base as the top reason for increasing company trade and investment in ASEAN (23%). Low levels of corruption and high levels of personal security at finished last, with no respondents in either category.

## 2.4 Business Direction and Movement in ASEAN

Table 2.4.1 Expansion in Malaysia

	2012
<i>In Malaysia, does your company plan to expand or contract?</i>	
Expand Significantly	10%
Expand	60%
Remain the Same	30%
Contract	0%
Contract Significantly	0%

Table 2.4.2 Reasons for expansion in Malaysia

<i>Reasons why companies plan for business expansion in Malaysia</i>	
Availability of Trained Personnel/Efficient Manpower	13%
Increasing Market Share	25%
Diversification of Customer Base	63%

- ◆ The majority of respondents indicated that their companies plan to expand in Malaysia (70%). No respondents plan to contract.
- ◆ The top three reasons for expansion in Malaysia are diversification of customer base (65%), increasing market share (25%), and availability of trained personnel/efficient manpower (13%). Past data can be found in Appendix C, Table C-1.

Table 2.4.3 Location of ASEAN Expansion

	2009	2010	2011	2012
<i>Into which specific ASEAN country or countries does your company plan to expand?</i>				
Brunei	0%	0%	0%	0%
Cambodia	0%	0%	0%	0%
Indonesia	25%	22%	33%	12%
Laos	0%	0%	0%	0%
Malaysia	50%	44%	40%	12%
Myanmar	0%	0%	0%	0%
Philippines	6%	0%	7%	8%
Singapore	6%	0%	7%	0%
Thailand	0%	11%	13%	15%
Vietnam	12%	22%	0%	54%

- ◆ Vietnam rapidly became the most popular site for expansion, more than doubling to 22% in 2010 to 54% in 2012 (after having received no interest from Malaysia respondents in 2011). Vietnam is the sought after site for expansion across the board for countries surveyed in 2012.
- ◆ Thailand is the second most popular site for expansion in 2012 (15%), roughly equaling results in the two previous years.

Table 2.4.4 Diversification from China into ASEAN

	2011	2012
<b><i>Does your company plan to diversify some investments or business from China into ASEAN over the next two years?</i></b>		
<b>Yes</b>	21%	27%
<b>No</b>	53%	33%
<b>Not Sure</b>	26%	40%

- ◆ More respondents plan to diversify some investments from China into ASEAN in 2012 than in 2011.
- ◆ The change from 2011 indicates a shift toward greater uncertainty, with fewer negative responses about shifting business from China to ASEAN.

## 2.5 ASEAN Integration

Table 2.5.1 Importance of ASEAN Integration

	2009	2010	2011	2012
<b><i>Is ASEAN integration important to helping your company do business in the region?</i></b>				
<b>Yes</b>	64%	58%	80%	63%
<b>No</b>	36%	42%	20%	17%
<b>Not Sure</b>	New category for 2012			20%

- ◆ 63% of respondents in Malaysia indicated that ASEAN integration is important to helping their companies do business in the region, a decrease from 2011's figure of 80%. This decrease, however, could be a result of the addition of the unsure respondents in 2012 (20%).
- ◆ Although it is difficult to evaluate the changes in support due to addition of the "not sure" response option, it is notable that positive response rates remained near 2010 and 2009 levels. Respondents who in 2009 and 2010 gave negative responses were now divided more evenly between negative and unsure responses.

Table 2.5.2 ASEAN Regional Strategies

<b><i>ASEAN is seeking to develop the region as a single market and production base. Does your company have an ASEAN regional strategy based on these goals?</i></b>	
<b>Yes</b>	33%
<b>No</b>	57%
<b>Not Sure</b>	10%

- ◆ The majority of respondents (57%) do not have a company strategy based on ASEAN's goals for economic integration.

## 2.6 ASEAN Free Trade Agreements

Figure 2.6.1 Utilizing FTA's

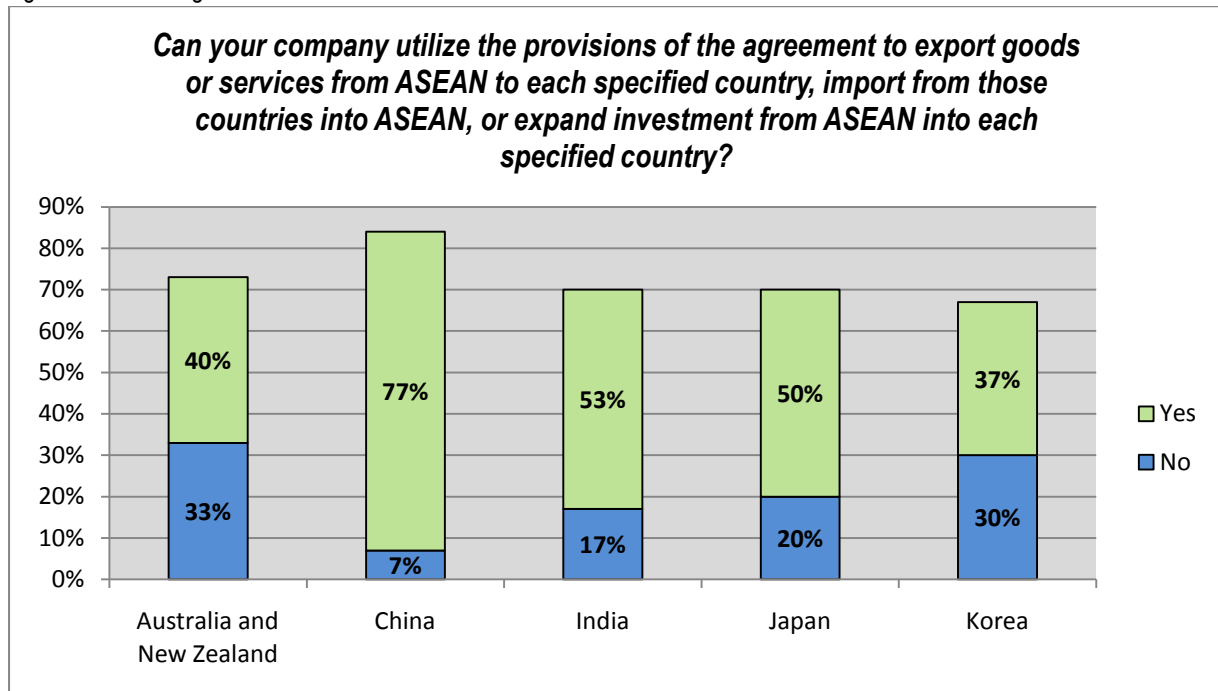
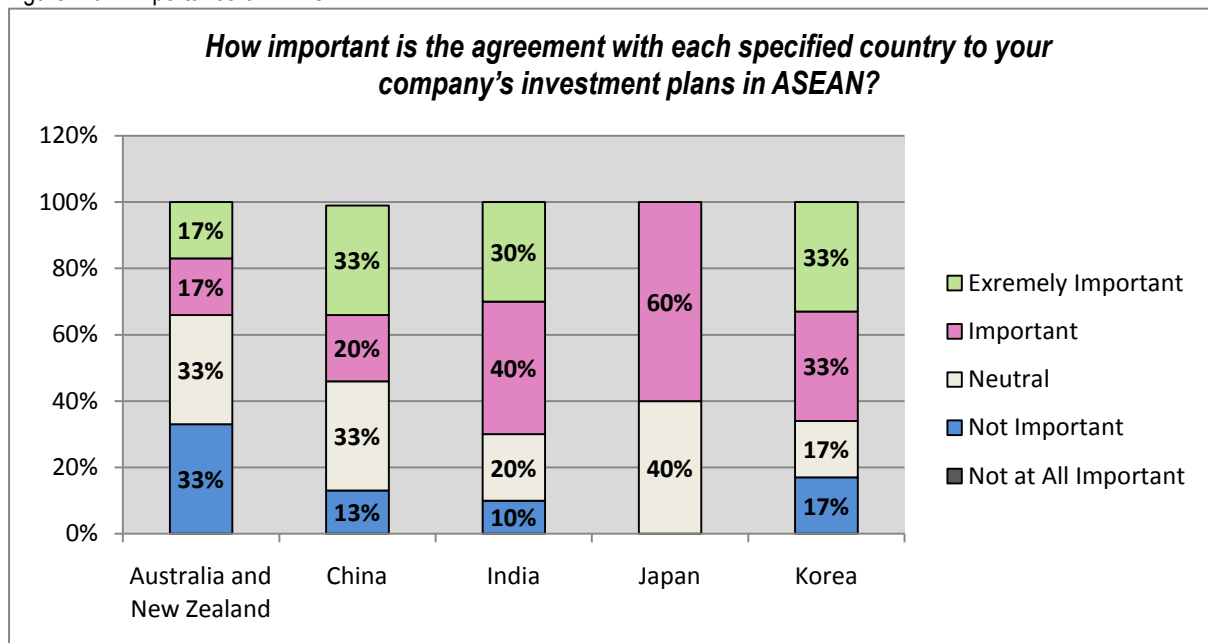


Figure 2.6.2 Importance of FTA's



- ◆ More respondents can utilize The ASEAN Free Trade Agreement with China than the agreements with any other country (77%).
- ◆ Respondents who gave positive responses for the first question were then asked how important the Free Trade Agreement was to their company's investment plans in ASEAN. The FTA with India proved to be the most important for those who could utilize it, with 70% answering considering it either important or very important.
- ◆ The FTA with Korea is the least utilized by Malaysia, but the FTA with Australia and New Zealand received the lowest importance rating (66%).

## 2.7 Profit Outlook

**Compared to 2011, do you expect your profits in ASEAN in 2012 and 2013 to increase, decrease, or remain the same?**

Figure 2.7 ASEAN profit outlook

Year of Survey			2006	2007	2008	2009	2010	2011	2012
Profit Expectation	Current Year	Increase	75%	69%	58%	31%	60%	70%	70%
		Remain	17%	29%	31%	41%	40%	15%	30%
		Decrease	8%	2%	11%	14%	0%	10%	0%
	Coming Year	Increase	75%	84%	75%	50%	80%	80%	80%
		Remain	10%	12%	21%	20%	20%	15%	17%
		Decrease	10%	4%	4%	3%	0%	0%	3%

- ◆ Profit outlook remains positive, with most respondents (70%) expecting profits to increase for the current year, and 80% expecting profits to increase in the coming year. Both current expectations and next year's projections remain consistent with 2011 responses.
- ◆ None of the respondents expect a decrease in ASEAN profits in 2012, a decrease from the 10% rate in 2011.
- ◆ 3% of the respondents predict a decrease in ASEAN profits for 2013.

## 2.8 Workforce Expansion

Table 2.8.1 Workforce Expansion in 2012

Do you expect your company's total number of employees to increase, decrease, or remain the same in 2012?								
Year	2005	2006	2007	2008	2009	2010	2011	2012
Increase	41%	52%	63%	52%	47%	55%	50%	50%
Same	53%	32%	31%	44%	41%	45%	40%	40%
Decrease	6%	8%	4%	4%	9%	0%	10%	10%

Table 2.8.2 Percentage of Employee Increase

By what percentage will the number of employees increase?										
Year of Survey		2004	2005	2006	2007	2008	2009	2010	2011	2012
Workplace Expansion	0 to less than 5%	37%	29%	56%	68%	55%	50%	36%	10%	13%
	5 to less than 10%								30%	40%
	10 to less than 15%	37%	38%	32%	22%	21%	25%	54%	40%	13%
	15 to less than 20%								10%	20%
	20 to less than 50%	20%	19%	8%	7%	10%	13%	9%	0%	7%
	>50%	7%	14%	4%	3%	13%	6%	0%	10%	7%

For the first time in 2011, 0-10% was further separated into 0-5% and 5-10%. 10-20% was separated into 10-15% and 15-20%.

- ◆ Half of the respondents (50%) expect the number of employees to increase, which is consistent with the figure from 2011. Out of these respondents, 40% expect an increase of 5 to 10%, and 20% expect an increase of 15% to 20%.
- ◆ The percentage of respondents who expect the number of employees to decrease (10%) remains consistent with the data from 2011.
- ◆ Out of the respondents who expect the number of employees to decrease, 67% expect a decrease of between 5% and 10%.

## **2.9 Expatriate Satisfaction**

Table 2.9 Expatriate Satisfaction

<b>Year of Survey</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b><i>Does your company regularly receive requests from employees based in other locations to work in Malaysia?</i></b>				
Yes	45%	39%	40%	43%
No	55%	61%	60%	57%
<b><i>Are your expatriate employees generally satisfied with their assignments in Malaysia?</i></b>				
Yes	97%	93%	83%	100%
No	3%	7%	17%	0%
<b><i>Do your expatriate employees attempt to extend their time in Malaysia?</i></b>				
Yes	81%	69%	56%	83%
No	19%	31%	44%	17%

- ◆ Overall expatriate employee satisfaction remains very high at 100%, increasing from 83% in 2011.
- ◆ There is a consistent increase in the percentage of respondents who have expatriate employees attempt to extend their time in Malaysia, from 56% in 2011 to 83% in 2012.
- ◆ 43% of the respondents stated that their company regularly receives requests from employees based in other locations to work in Malaysia, a rate similar to past years.

### 3. FACTORS IMPACTING BUSINESS IN MALAYSIA

Respondents were asked to rate their satisfaction with a series of local factors that could affect their business. The percentage of respondents who are satisfied or extremely satisfied with a given factor can be used to identify factors of strength. Conversely, the percentage of respondents dissatisfied or extremely dissatisfied with a particular factor can be used to identify areas held as concerns.

#### 3.1 Local Business Environment Factors

##### Major Strengths

*(Responded "Satisfied" or "Extremely Satisfied" at a considerable rate in the 2012 survey)*

Table 3.1.1: Time Comparison of satisfaction with major strengths

Factors	2004	2005	2006	2007	2008	2009	2010	2011	2012
Infrastructure	77%	66%	72%	78%	57%	82%	70%	70%	90%
Tax Structure									55%
Laws and Regulations								60%	55%
Ease of moving your products through customs								60%	66%
Sentiment towards the U.S.				55%	60%	66%	53%	65%	76%
Office Lease Costs									72%
Free movement of goods within the region									66%
Stable Government and Political System									62%

*(See Appendix B, Table B -1 for responses on all listed factors). \*Empty boxes indicate areas that were not strengths for the year indicated.*

- ◆ Malaysia yielded positive results in a number of categories in 2012, including tax structure (55%), laws and regulations (55%), office lease costs (72%), free movement of goods within the region (66%), and stable government and political system (62%).
- ◆ The high satisfaction rate with infrastructure (90%) increased by 20% from 2011.
- ◆ Sentiment towards the U.S. has increased in satisfaction levels, from 53% in 2010 to 65% in 2011 to 76% in 2012.

##### Major Concerns

*(Responded "Dissatisfied" or "Extremely Dissatisfied" at a considerable rate)*

Table 3.1.2: Time Comparison of dissatisfaction with major concerns

Factors	2004	2005	2006	2007	2008	2009	2010	2011	2012
Housing Costs									31%
Personal security							40%	35%	38%
Corruption	34%	44%	45%	51%	59%	51%	63%	35%	48%

*(See Appendix B, Table B-1 for responses on all listed factors). \*Empty boxes indicate areas that were not concerns for the year indicated.*

- ◆ In 2012, "availability of trained personnel" and "laws and regulations" are no longer major concerns in Malaysia. However, this year, "housing costs" became a major concern in Malaysia for the first time.
- ◆ Corruption remains to be the leading concern for Malaysia, holding the position for the entire history of the survey. The dissatisfaction rate for corruption increased this year from 35% to 48%, but still remains below the levels of 2007-2010.

## 3.2 Other Local Business Environment Factors

### Government Institutions

- ◆ Overall, respondents are satisfied with local government institutions, with customs (60%) and taxation/revenue (67%) receiving the highest satisfaction ratings.
- ◆ Immigration received the most dissatisfaction (13%). See Appendix B, Table B-2 for more details.

### Importing Goods

Table 3.2 Importing Goods into Malaysia

<i>Is importing goods into Malaysia a significant problem for your company?</i>	
Yes	7%
No	93%

## 3.3 International Schools

Table 3.3: International schools

	2009	2010	2011	2012
<i>Will the ability to find adequate space at international educational institutions in Malaysia be a significant problem in the next 1-3 years?</i>				
Yes	24%	57%	45%	37%
No	77%	43%	55%	40%
<i>Do you feel that the government of Malaysia is actively pursuing solutions to correct the space constraint at international educational institutions?</i>				
Yes	50%	67%	20%	18%
No	50%	33%	80%	27%
<i>Will the lack of adequate space at international educational institutions in Malaysia affect your company's decision to hire more local employees over foreign employees?</i>				
Yes	43%	67%	20%	46%
No	57%	33%	80%	36%

\*The option "Not Sure" was given for the first time in 2012

- ◆ Respondents in Malaysia are fairly evenly split on the issue of whether or not the ability to find adequate space at international educational institutions will be a significant problem in the next 1-3 years (37% "yes" vs. 40% "no").
- ◆ The majority of respondents (55%) are not sure if the government in Malaysia is actively pursuing solutions to correct the space constraint at international educational institutions.
- ◆ Almost half of respondents (46%) do not think the lack of adequate space at international educational institutions in Malaysia will affect their company's decision to hire more local employees over foreign employees.



## 4. CONCLUSION

### Positive outlook

The large majority of the respondents in Malaysia (94%) have a positive or very positive outlook for the ASEAN region as an investment opportunity for their companies. Only 3% of respondents in Malaysia are facing significant financing constraints in 2012, down from 15% in 2011. In addition 87% of respondents indicated that they are not facing higher costs of borrowing in 2012, up from 63% in 2011. For these reasons, companies in Malaysia are functioning in a better economic environment in 2012 than in 2011.

53% of respondents in Malaysia indicated that ASEAN markets have increased in importance to their companies over the past two years. 70% of respondents plan to expand, while none plan to contract. The top reasons for expansion in 2012 across ASEAN are to diversify customer base and increase market share. 13% of respondents in Malaysia plan to expand due to availability of trained personnel and efficient manpower.

Profit outlook is positive as well. 70% of respondents in Malaysia expect an increase in profits in 2012, and 80% expect profits to increase in 2013. In addition, 50% of respondents expect their companies' workforce to increase. All of these things indicate that business is prosperous in Malaysia.

### Mediocre ASEAN importance

63% of respondents in Malaysia reported that ASEAN integration is important to helping their companies do business in the region. 53% of respondents reported that ASEAN markets have increased in importance to their companies in the past two years, and 60% expect ASEAN importance to increase in the next two years. This data reveals that, although the ASEAN region is important to the majority of respondents in Malaysia, it is not important to an overwhelming majority.

The ASEAN Free Trade Agreement with China can be utilized by the most respondents in Malaysia (77%)—the highest utilization rate of all the ASEAN FTA's. The ASEAN FTA with India proved to be the most important to those respondents who can utilize it, receiving a 70% importance rating. The ASEAN FTA's with Korea and Australia and New Zealand are the least utilized and least important, respectively, to respondents in Malaysia.

### Good business climate, although some uncertainty

All respondents in Malaysia believe that expatriate employees are generally satisfied with their assignments. Space at international schools does not appear to be an overwhelming problem, with only 37% of respondents reporting that finding space at these schools would be a problem in the next 1-3 years.

Top strengths for Malaysia are infrastructure (90%), positive sentiment towards the U.S. (76%), free movement of goods within the region (66%), and ease of moving products through customs (66%). Office lease costs (72%) were also listed as a major strength, although housing costs had a dissatisfaction rate of 31%. In addition, "stable government and political system" was listed as a major strength (62%), while corruption remained Malaysia's top concern (48% dissatisfaction rate). This indicates some uncertainty in the true strengths and weaknesses of the Malaysia business environment.

# APPENDICES

## APPENDIX A: Sample Profile

Table A-1: Workforce and Turnover

Survey Year		2004	2005	2006	2007	2008	2009	2010	2011	2012
Scope of Responsibility	Only one country	<b>57%</b>	49%	<b>65%</b>	<b>61%</b>	<b>51%</b>	42%	<b>60%</b>	40%	40%
	Multiple countries	43%	<b>51%</b>	35%	39%	49%	<b>58%</b>	40%	<b>60%</b>	<b>63%</b>
Size of Current Workforce in Region	Below 50 employees	<b>44%</b>	31%	28%	<b>39%</b>	<b>41%</b>	26%	26%	21%	17%
	50 to <500 employees	23%	<b>37%</b>	<b>38%</b>	31%	32%	<b>36%</b>	21%	32%	<b>47%</b>
	500 to <1000 employees	12%	10%	13%	12%	9%	7%	5%	5%	7%
	1000 to <1500 employees	9%	10%	9%	2%	2%	3%	5%	5%	7%
	1500 to <2000 employees	2%	0%	2%	2%	4%	3%	0%	0%	3%
	2000 employees or above	11%	12%	11%	14%	12%	26%	<b>37%</b>	<b>37%</b>	20%
Company's Past Year Turnover in Singapore (USD)	Below \$1 million	20%	8%	16%	13%	20%	3%	16%	5%	7%
	\$1 to <\$50 million	<b>45%</b>	<b>56%</b>	<b>40%</b>	<b>48%</b>	<b>35%</b>	<b>33%</b>	<b>42%</b>	<b>37%</b>	<b>33%</b>
	\$50 to <\$100 million	15%	14%	13%	13%	19%	7%	5%	11%	20%
	\$100 to <\$500 million	11%	14%	16%	15%	15%	27%	16%	21%	17%
	\$500 to <\$1 billion	4%	2%	7%	4%	6%	10%	0%	5%	13%
	\$1 billion or above	5%	6%	4%	4%	6%	10%	11%	21%	3%
Past Year's Turnover As Percentage of Company's Global Turnover	Below 5%						<b>61%</b>	<b>65%</b>	<b>53%</b>	<b>70%</b>
	5 to <25% (Before 2006: 5 to <20%)						14%	12%	21%	10%
	25 to <50% (Before 2006: 20- <50%)						18%	18%	5%	17%
	50 to <75% (Before 2006: 50% or above)						0%	6%	16%	0%
	75 to <100%						7%	0%	0%	3%
	100%						0%	0%	5%	0%

Table A-2: ASEAN Turnover

		2009	2010	2011	2012
Past Year's Turnover as Percentage of Company's Total ASEAN Turnover	<b>Below 5%</b>	15%	24%	16%	17%
	<b>5 to less than 25%</b>	<b>37%</b>	<b>29%</b>	<b>47%</b>	<b>37%</b>
	<b>25 to less than 50%</b>	26%	<b>29%</b>	11%	30%
	<b>50 to less than 75%</b>	11%	6%	11%	3%
	<b>75 to less than 100%</b>	4%	12%	11%	7%
	<b>100%</b>	7%	0%	5%	7%
ASEAN Country That Holds the Next Largest Turnover for Company	<b>Vietnam</b>	8%	6%	5%	3%
	<b>Cambodia</b>	0%	0%	0%	0%
	<b>Indonesia</b>	15%	19%	10%	<b>26%</b>
	<b>Laos</b>			0%	0%
	<b>Malaysia</b>	12%	19%	15%	13%
	<b>Thailand</b>	<b>31%</b>	12%	10%	17%
	<b>Philippines</b>	8%	12%	25%	13%
	<b>Singapore</b>	27%	<b>31%</b>	<b>35%</b>	17%
	<b>Brunei</b>				0%
	<b>Myanmar</b>				0%

Table A-3: Primary Responsibility

Primary Activity		2009	2010	2011	2012
Services	Accounting	0%	0%	0%	0%
	Architecture and Engineering Services	3%	0%	0%	3%
	Banking	0%	0%	0%	0%
	Consulting	3%	<b>20%</b>	5%	<b>10%</b>
	Education	0%	0%	0%	0%
	Healthcare	6%	5%	5%	3%
	HR Services	0%	5%	0%	0%
	Insurance Brokers	3%	0%	0%	0%
	Legal	3%	0%	0%	0%
	Marketing & Communications Services	3%	15%	5%	3%
	Other Financial Services	0%	5%	0%	0%
	Software, IT, Telecommunications Services	0%	5%	0%	3%
	Transportation & Logistics	<b>9%</b>	0%	0%	3%
	Wholesale & Retail	0%	0%	0%	3%
	Business Process Outsourcing/ Shares Services		0%	5%	0%
	Other	6%	5%	5%	0%
	<b>Total Services</b>	<b>36%</b>	<b>60%</b>	<b>25%</b>	<b>28%</b>
Manufacturing	Consumer Goods	16%	10%	10%	7%
	Electronics	<b>25%</b>	<b>15%</b>	<b>25%</b>	<b>27%</b>
	Food & Food Products	0%	0%	5%	0%
	Oil & Petrochemical	6%	10%	10%	7%
	Pharmaceuticals/Medical	0%	0%	5%	7%
	Machinery & Equipment	0%	0%	0%	0%
	Other	16%	0%	5%	7%
	<b>Total Manufacturing</b>	<b>63%</b>	<b>35%</b>	<b>60%</b>	<b>55%</b>
Other		<b>4%</b>	<b>5%</b>	<b>15%</b>	<b>17%</b>

## APPENDIX B: Local Factors Impacting Business

Table B-1: Satisfaction with factors

	<b>Total Satisfied</b>	<i>Extremely Satisfied</i>	<i>Satisfied</i>	<b>Neutral</b>	<i>Dissatisfied</i>	<i>Extremely Dissatisfied</i>	<b>Total Dissatisfied</b>
Infrastructure	90%	21%	69%	7%	3%	0%	3%
Availability of raw materials	52%	3%	48%	14%	3%	0%	3%
Availability of low cost labor	31%	0%	31%	24%	24%	3%	28%
Availability of trained personnel	45%	7%	38%	31%	10%	14%	24%
Office lease costs	72%	10%	62%	17%	3%	0%	3%
Housing costs	48%	10%	38%	21%	28%	3%	31%
Laws & regulations	55%	7%	48%	35%	7%	3%	10%
Corruption	14%	3%	10%	38%	28%	21%	48%
Local protectionism	38%	0%	38%	28%	17%	10%	28%
Tax structure	55%	17%	38%	24%	21%	0%	21%
Personal security	48%	10%	38%	31%	7%	0%	38%
Stable government and political system	62%	3%	59%	24%	14%	0%	14%
New business incentives by government	41%	10%	31%	38%	10%	0%	10%
Sentiment towards the U.S.	76%	14%	62%	17%	3%	0%	3%
Free movement of goods within the region	66%	10%	55%	17%	7%	0%	7%
Ease of moving products through customs	66%	10%	55%	17%	3%	0%	3%

Table B-2: Satisfaction with local government institutions

	<b>Total Satisfied</b>	<i>Extremely Satisfied</i>	<i>Satisfied</i>	<b>Neutral</b>	<i>Dissatisfied</i>	<i>Extremely Dissatisfied</i>	<b>Total Dissatisfied</b>
Agency to promote/develop investment	57%	7%	50%	20%	10%	0%	10%
Customs	60%	0%	60%	30%	3%	0%	3%
Immigration	47%	3%	43%	37%	7%	7%	13%
Taxation/Revenue	67%	7%	60%	23%	10%	0%	10%
Central Bank	53%	10%	43%	30%	0%	0%	0%
Ministry of Finance	43%	3%	40%	40%	3%	0%	3%

Percentages may not add to 100 because "Not Applicable" and "Don't Know" were possible responses.

## APPENDIX C: Expansion in ASEAN over the Next Two Years

Table C-1: Top 3 Reasons for ASEAN Expansion

Year of Survey	2007	2008	2009	2010	2011	2012
<b>Reasons for Expansion</b>						
Economic recovery	74%	60%	29%	44%	32%	0%
Potential for business growth	74%	60%	88%	83%	84%	0%
Increasing market share	70%	64%	58%	39%	47%	0%
Reasonable production cost	21%	36%	25%	17%	26%	0%
Diversity of customer base	33%	38%	21%	22%	32%	<b>63%</b>
Lack of growth in current market/countries	19%	23%	17%	6%	21%	25%
Availability of trained personnel/efficient manpower	21%	30%	21%	28%	21%	13%
Availability of raw materials				0%	5%	0%
High level of personal security				0%	0%	0%
Low level of corruption				0%	0%	0%
Adequate laws and regulations to protect business				17%	0%	0%
Adequate laws and regulations to encourage foreign investment				11%	11%	0%
Stable government and political system				11%	11%	0%
Low level of local protectionism				0%	0%	0%
Weak competition in market/countries				6%	5%	0%
Other				17%	5%	0%

Empty boxes indicate that no comparative data is available for those years.

Table C-2: Top Reasons for ASEAN Importance over Next Two Years

Year of Survey	2007	2008	2009	2010	2011	2012
<b>Reason</b>						
Economic recovery	88%	49%	94%	80%	67%	0%
Limited growth opportunities in other regions	36%	68%	35%	40%	40%	11%
Improvement in Infrastructure	52%	65%	47%	30%	40%	0%
Increased availability of trained personnel	32%	30%	18%	10%	20%	16%
Favorable government policies	32%	14%	35%	40%	27%	0%
Stable political conditions	16%	22%	29%	10%	13%	26%
Change in business strategy		24%	41%	20%	40%	37%
Other				60%	20%	11%

Empty boxes indicate that no comparative data is available for those years.