

Malaysia

The Czech business community should consider Malaysia as an important business partner within the framework of ASEAN. ASEAN, with a population of more than 530 million people and a combined GDP of around EUR 633 billion (US\$800 billion), is a lucrative market for Czech businesses. Malaysia is in strategic position to be the springboard for Czech companies, intending to penetrate the ASEAN market and other markets in the region. Malaysia also aims to be a services hub for the whole region.

Malaysia is among the world's top 20 trading nations. The country offers the international community a variety of world class products such as electrical and electronic products, high quality textiles and apparel, furniture, palm oil-based, rubber-based and wood products. Malaysia is one of the world's largest producer of microchips. It is also a leading producer of air conditioners, rubber gloves and palm oil. The country's competitive position has been maintained by its responsiveness to changing market conditions, an adaptable labour force, low inflation and a well developed financial sector. A stable and pro-business government ensures a conducive environment that encourages entrepreneurship and innovation.

The country has a well established manufacturing industry. Its broad-based manufacturing sector is a vital and integral part of the economy, accounting for more than 80% of total exports. Some of the world's best-known brands such as Intel, Panasonic, Motorola, Carrier, BASF, Dell, Hewlett Packard and Nestle are made in Malaysia. In addition, home-grown companies have been successful in establishing international recognition for brands such as Petronas, Proton, Royal Selangor and Sime Tyres.

Malaysia has a strong foundation in the electronics industries and electronic manufacturing services. Electronic consumer products, such as digital cameras, televisions, MP3 players, multifunctional personal computer, hand phones and electronics devices for automotive industry, are among the most demanded drivers. Therefore E&E sector accounts for 62.2 per cent share of the Malaysia's exports of manufactured goods. Malaysia is currently also the world's largest supplier of medical gloves and catheters. However, the medical device industry is expanding into the manufacture of higher value-added products by moving from basic processes and conventional assembly to product and process research and development, design and prototyping, distribution and logistics.

The substantial automotive vehicle market in Malaysia, particularly for passenger vehicles, has resulted in the establishment of 591 automotive component manufacturers. Czech companies in the automotive industry are therefore encouraged to explore investment opportunities in the automotive components industry, in Malaysia to cater for the fast growing regional markets. Czech manufacturers can also enter into technical collaboration arrangements with Malaysian automotive component manufacturers, particularly in new areas of

growth, such as electronic automotive components, engines and transmission parts.

The machinery and equipment industry has been identified as one of the priority sectors. Malaysia continues to be a net importer of machinery and equipment to meet its industrial needs. Czech machinery and equipment manufacturers should therefore explore investment opportunities, with the aim to service the regional and global markets.

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