

Recommendations:

Malaysia has a relatively open, growing economy with a skilled, generally English-speaking labor force. Despite its comparatively small population, Malaysia offers few challenges for foreign companies conducting global trade.

****Good choice for most businesses****

(+) Consistently strong economic growth over the last decade

(+) Generally English-speaking population

(+) Ease of doing business and conducting international trade

(-) Productivity growth and domestic market size lags behind larger regional countries

(-) Internal political turmoil and ethnic tensions can create business challenges

(-) High cost of living in KL, but cheaper elsewhere

Highlights:

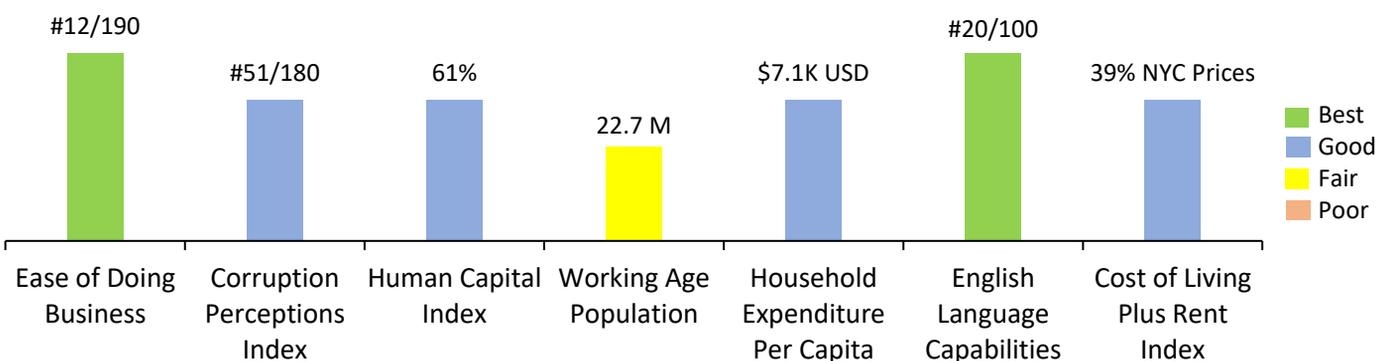
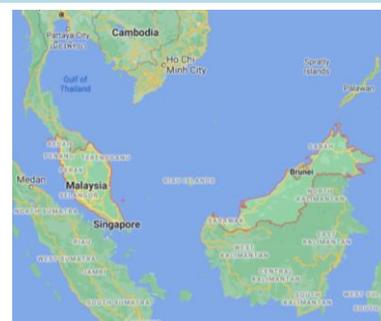
- 5%+ average GDP growth over last 10 years
- Top 20 country in English language capability; #3 of 24 countries in Asia
- Top 15% of countries on the Global Competitiveness Index
- Pro-trade policies and low taxes

“Malaysia is **one of the most open economies in the world** with a trade to GDP ratio averaging over 130% since 2010. Openness to trade and investment has been instrumental in employment creation and income growth.”

—World Bank, 2021

Country Facts:

Population:	33.5 million, 22.3 million working population
GDP:	\$364.3 billion USD, 5.0% growth
GNI per capita:	\$11,230 USD, 0.6% Inflation (2019); upper middle-income
Industries:	Rubber and oil palm processing, petroleum and natural gas, pharmaceuticals, medical technology, electronics and semiconductors, and timber processing
Tourism:	26.1M arrivals in 2019; #4 ranked country in Asia



Marketing:

Per capita expenditure:	\$7,100 USD
Internet penetration:	67% (Southeast Asia 63%)
Shop online:	35%
Mobile ownership:	159%
Primary messaging:	WhatsApp, Signal
Primary website:	Facebook

Average Labor:

Annual Labor Productivity	\$61,000
Prof. Salary	\$31,300
Worker Salary	\$4,500

Infrastructure:

Ports	Good
Roads	Good
Airfields	Good
Railroads	Good

Opening a Business:

Relevant Laws:	Companies Act of 2016, Companies Act (amended) of 2019
Time to Incorporate:	5-10 business days
Fees to Incorporate:	\$500 USD (\$250 government fee / \$250 admin fees) for a standard business
Paid-in Capital:	Ownership dependent: 100% foreign ownership requires minimum \$120-\$250k, depending on industry
Remittance Taxes:	Generally no taxes, depending on business activity and country of remittance
Restrictions:	100% foreign ownership is possible, with restrictions on certain industries to include medical, pharmaceutical, textiles, mineral, wood, and foodstuffs
Trends:	Malaysia has created tax and investment incentives to attract additional foreign investment in manufacturing and services; see www.mida.gov.my

BBA Services:

BBA has a small staff in Malaysia to include an attorney skilled in market entry procedures. BBA can assist SMEs in most sectors and find trusted local partners, among other local services.

<https://businessbridgeasia.com>