



FINAL YEAR PROJECT PAPER (COMPANY ANALYSIS)

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12TH DECEMBER 2019

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PROJECT PAPER: COMPANY ANALYSIS

1. ECONOMIC ANALYSIS

Economics analysis is a study of how social sciences allocate scarce and limited resources to produce goods and services to satisfy unlimited human needs. Economic can be divided into two categories which is microeconomics and macroeconomics. Microeconomics is a study of the behaviour and decisions of individual entities, such a households, firms and markets. Meanwhile, macroeconomics studies the behaviour and performance of economy as whole. It focuses on the aggregate changes in the economy such as gross domestic product, interest rate, unemployment and inflation.

This report aims to analyse the world economic, regional economic, the third world countries economic and our domestic economic, Malaysia. The world economic refers to the developed countries where the country have a lot of industrial activity and people usually have high incomes such as South Korea, Saudi Arabia, France, China, and United State. Then, for the regional economic, it can be generally categorize as the countries that having a standard of living or level of production below the possible income. In this report, we are focusing on the ASEAN countries such as Indonesia, Brunei, Singapore, Philippine, and Thailand. Lastly, the third world countries generally being described as a poor countries with underdeveloped economies such as South Africa, Bangladesh and Sudan.

1.1. WORLD ECONOMIC ANALYSIS

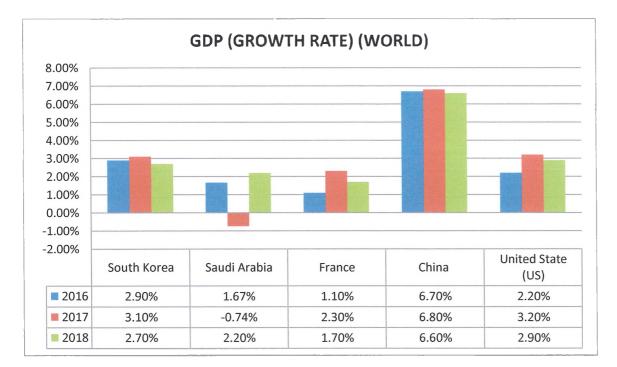


Figure 1

Korea GDP increase in 2016 to 2017 from 2.9 to 3.1 from 2016 to 2017. This was mainly due to an increase of 14.6% in facilities investment. Bank of Korea (BoK) reported that South Korea's GDP increased from 2% in 2016 to 3.1% in 2017. From 2017 to 2018, Korea's GDP decrease drastically. Exceeding 3 percent for the first time since 2014, according to the Bank of Korea (BOK) The growth rate of consumer spending continued to gain from 1.7 percent in 2014 to 2.5 percent in 2016 and 2.6 percent in 2017 respectively.

In 2017, Saudi Arabia's GDP shrank for the first time since the global financial crisis from 1.67% (2016) to -0.74% due to global financial crisis where oil prices are rebounding and higher public spending. Saudi Arabia also cut its crude output under a global deal among producing countries to prop up prices. For non-oil sector, they continued to keep a tight rein on state spending to cut a huge state budget deficit which caused by low oil prices. Private businesses have been hit hard by government austerity measures, including higher domestic energy prices and the government delays in paying its debts to companies.

Saudi Arabia's economy grew at a pace of 2.21% in 2018, supported by strong oil sector growth and recovering from a contraction in 2017 as the economy was hurt by weak oil prices and austerity measures. Jean-Paul Pigat, head of research at Lighthouse Research said, "We might be looking at GDP growth of 4.0 percent, which was driven

primarily by the oil sector, but we might have also seen a fairly strong rebound in private sector growth which I would estimate at 3.2 percent - the fastest since Q42015."

For third country, which is France, we can see an increase of GDP from 1.1 to 2.3 percent from 2016 to 2017. Gross Domestic Product of France grew 2.3% in 2017 compared to last year. This rate is 12 -tenths of one percent higher than the figure of 1.1% published in 2016 due to the highly developed and free-market-orientated. For 2017 to 2018, France GDP are decrease from 2.3 to 1.7 percent. French statistics department INSEE revised up on Thursday the country's 2018 gross domestic product growth to 1.7% from a previous 1.6%. INSEE also revised the growth rate for 2017 to 2.4% from a previous 2.3% and lowered the growth rate for 2016 to 1 percent from 1.1%. The main policy challenges in France are to boost economic growth.

Next, China has a largest GDP between other countries. In 2017, GDP in China increased by 0.1% to 6.8% from the previous year which is 6.7%. China does a lot of manufacturing for foreign business, including U.S. companies as well as it powers to produce in large quantity and exports it. The GDP in China decrease in 2018 which is 6.6%. it is because the purchasing power parity which takes into account the effect of exchange rates.

Lastly, is United State. The GDP in United State is increased to 3.2% in 2017 from 2.2% in 2016. This is due to the largest consumer spending in the economy. In 2018, the GDP was slightly slower than previous year which is 2.9%.