



**A Study on How Asia-Pacific Economic  
Cooperation (APEC) Liberalization Program  
Affects Malaysian Automotive Industry**

**Submitted in partial fulfillment of the  
requirements of BBA (Hons) International  
Business**

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Dear Sir,

**SUBMISSION OF RESEARCH ON A STUDY ON HOW ASIA-PACIFIC  
ECONOMIC COOPERATION (APEC) LIBERALIZATION PROGRAM  
AFFECTS MALYSIAN AUTOMOTIVE INDUSTRY**

Referring to the above matter, I hereby submit my research on "A Study on How Asia-Pacific Economic Cooperation (APEC) Liberalization Program Affects Malaysian Automotive Industry" for fulfillment of the requirements of BBA (Hons) International Business.

Therefore, I hope you will find this research as satisfactory as you required and I also apologize for my errors and omissions in doing this research.

Thank you.

Yours faithfully,



(RUSNIDA BTE RAMLI)

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## 1.1 INTRODUCTION

The purpose of this research is to evaluate the impact of APEC Liberalization Program on Ford Motor Company Malaysia (AMIM Holdings Sdn. Bhd.).

AMIM Holdings is a company, which assemble Ford cars. AMIM pays more for most parts than local manufacturer pays due to the higher rate of import duties. Thus, the cost of Ford cars is higher compared to local cars, which leads to the lower demand of Ford cars. The researcher will prove that with the introduction of APEC Liberalization Program in the year 2003, the higher production costs in terms of high tariff, faced by AMIM Holdings will be reduced.

APEC an initial for Asia-Pacific Economic Cooperation, is a forum for consultations and economic cooperation activities among economies located in the Asia-Pacific region.

Currently APEC has 21 member economies in its grouping which are Australia, Brunei Darussalam, Canada, Chile, People's Republic of China, Hong Kong, Indonesia, Japan, Republic of Korea, Malaysia, Mexico, New Zealand, Papua New Guinea, Republic of the Philippines, Singapore,