## UNIVERSITI TEKNOLOGI MARA

# Strategizing Kulim Hi Tech Park to Enhance its Competitiveness as Global Investment Destination

# ZAFIR ANNUAR GHAZALI EMILIYA NIZA YAAKOB HAMIDAH OTHMAN

Dissertation submitted in partial fulfillment of the requirement for the degree of

**Executive Master of Business Administration** 

**Faculty of Business Management** 

January 2012

#### **AUTHOR'S DECLARATION**

We declare that the work in this thesis/dissertation was carried out in accordance with the regulations of Universiti Teknologi MARA. It is original and is the result of my own work, unless otherwise indicated or acknowledge as referenced work. This thesis has not been submitted to any other academic institution or non-academic institution for any degree or qualification.

We, hereby, acknowledge that we have been supplied with the Academic Rules and Regulations for Post Graduate, Universiti Teknologi MARA, regulating the conduct of our study and research.

Name of Student Zafir Annuar Ghazali

Student I.D.No 2009159463

Name of Student : Emiliya Niza Yaakob

Student I.D.No 2009345295

Name of Student : Hamidah Othman

Student I.D.No : 2009543109

Programme Executive Master of Business Administration

Faculty Faculty of Business Administration

Thesis/Dissertation Title : Strategizing Kulim Hi Tech Park to Enhance its

Competitiveness as Global Investment Destination

### TABLE OF CONTENTS

			Pages
ACKNOWLEDGEMENT			ii
TABLE OF CONTENTS			iii
ABSTRACT			vii
Chapter	1	INTRODUCTION	1
	1.0	Introduction	1
	1.1	Executive Summary	1
	1.2	Background of the study	3
		1.2.1 Introduction	3
		1.2.2 Background of Kulim High Tech Park	5
		1.2.3 The Concept of Kulim Hi – Tech Industrial Park.	7
		1.2.4 Kulim Hi – Tech Park and Foreign Direct Investment	12
	1.3	Problem Statement	13
	1.4	Objective of the study	16
	1.5	Research question	17
	1.6	Business Framework	17
Chapter	2	LITERATURE REVIEW	
	2.0	Introduction	19
	2.1	Terms and Definition	19
		2.1.1 Hi-Tech Industrial Park	19
		2.1.2 Foreign Direct Investment	22
		2.1.3 Competitive advantage	27

# Strategizing Kulim Hi Tech Park to Enhance its Competitiveness as Global Investment Destination

Zafir Annuar Ghazali
Faculty of Business Management
University Teknologi MARA

Emiliya Niza Yaakob

Faculty of Business Management

University Teknologi MARA

Hamidah Othman

Faculty of Business Management

University Teknologi MARA

Abstract: The main purpose of this study is to analyze the current operation of Kulim Hi Tech Park (KHTP) and proposing strategic options on enhancing the park competitiveness in the global investment market. As the pioneer of high technology industrial park model in Malaysia, KHTP has become catalyst of economic growth to State of Kedah and Malaysia from the inflows of Foreign Direct Investment (FDI) since its establishment in 1996. However, the recent declining inflows of FDI and new high technology industrial parks established in Malaysia and

other countries have threatened KHTP to be core competitors in global investment radar screen.

A macro-environment analysis PEST and business process SWOT Analysis were used in this study to diagnose the issues in KHTP. Benchmarking technique and evidence of secondary data information were used in constructing the strategic options to enhance KHTP competitiveness as global investment destination

**Keywords**: Kulim Hi Tech Park, Foreign direct investment, Kulim Technology Park Corporation, PEST, SWOT, Competitiveness, Strategic options.