

UNIVERSITI TEKNOLOGI MARA

MBA 795 APPLIED BUSINESS PROJECT

RECESSION IMPACT ON MALAY COMPANIES - CASE OF PERAK MALAY CHAMBER OF COMMERCE MALAYSIA (PMCCM)

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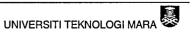
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ABSTRACT

This paper focuses on the recession impact on Malay companies (profit and loss) - case of Perak Malay Chamber Of Commerce Malaysia (PMCCM). As a result, the Malaysian economy experienced its deepest recession and the Gross Domestic Product (GDP) contracted by seven point five percent (7.5%) in 1998 (Mahani Zainal Abidin, 2000). As with other affected countries, Malaysia adopted the orthodox approach to such a crisis, namely tightened fiscal and monetary policies, introduce measures to redress the balance of payment weakness and floated the exchange rate.

It also has risen up several complicated management disorder and financial issues to the Malays. Lower income workers and small Malay entrepreneurs facing financial difficulties towards the recession. As a result, the domestic economy continued to deteriorate and the exchanged rate remained volatile. Companies' loss of efficiency and loss productivity recession. Companies facing lower domestic demand, higher interest rate thus they tend to downsizing and finally shut down their business. Lower income workers and small Malay companies dramatically facing financial difficulties towards the recession.

TABLE OF CONTENTS	page
Letter of Transmittal	i
Acknowledgement	M
Abstract	V
Executive Summary	vi
Table of Contents	ix
Appendices	xii
List of Tables	xiii
List of Charts	xiv
List of Abbreviations	xv
CHAPTER 1: INTRODUCTION	, "
1.1 Background of the Study	1
1.2 Problem Statement	4
1.3 Research Objectives	5
1.4 Research Questions	7
1.5 Hypothesis	8
1.6 Significance of Study	9
1.7 Limitation of Study	10
1.8 Definition of the Term	11
1.8.1 Economic Recession	11
1.8.2 Malay Companies	11
1.8.3 Profit and Loss	11
1.8.4 Perak Malay Chamber of Commerce Malaysia (PMCCM) 11
1.8.4.1 Vision	13
1.8.4.2 Mission	13
1.8.4.3 Objectives	13
1.8.4.4 Membership	15



CHAPTER I

1.1 Background of the Study

In the past two years, the Malaysian Government has resorted to different tactics to withstand the negative effects of the crisis. While some of the strategies employed have been successful, some others have failed.

The aims of this paper, as the title suggests, is to examine the various impacts of the economic recession on the Malay companies, to analyze companies' recovery prospects in the future, as well as to highlight some of the key challenges facing Malay companies on the road to sustained recovery.

This paper begins by describing the genesis of the financial crisis in Malaysia government. In the subsequent section, a snap shot of the crisis impact on the Malay companies' economy is provided. Perak Malay Chamber of Commerce Malaysia (PMCCM) prospects for recovery to Malay companies and the challenges associated with the ensuring future growths are dealt with the final section.

Over the last decade, the Malaysian economy has undergone rapid expansion with the emphasis shifting from agriculture to manufacturing. More changes are envisaged for the millennium with the nation set to move from the industrial into the information age. The year 2020 is being projected as the target for the nation to achieve the "developed-nation" status.

