



**FINANCIAL PERFORMANCE OF SARAWAK ECONOMIC DEVELOPMENT  
CORPORATION AND OTHER STATE AGENCIES  
(2005 – 2006)**

**ENSIMAU MANCHA  
2007276868**

**BACHELOR OF BUSINESS ADMINISTRATION WITH HONOURS (FINANCE)  
FACULTY OF BUSINESS MANAGEMENT  
UNIVERSITI TEKNOLOGI MARA  
SARAWAK**

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## CHAPTER 1: INTRODUCTION

### 1.1 State Agency

In Malaysia, the state agencies established as a state owned and state controlled statutory which come under the purview of the Federal Government of Malaysia through the Federal Ministry of Entrepreneur Development and Cooperative. The examples of state agencies are Sarawak Economic Development Corporation, Terengganu State Economic Development Corporation, Penang Development Corporation and many more. The main aim of the establishment is promoting the commercial, industrial and socio-economic as well as to develop the entrepreneurship sector in each state.

Moreover, the state agencies a role is to help their own local people to involve in commercial and business trading with the available resources they have. The state agencies also provide advice on business opportunities in marketable industries such as agriculture, fishery, poultry, tourism and leisure as well as socio-economic projects is concerned.

The state agencies also give a helping hand the local people to contribute in such sector as an example, agriculture, not only to feed themselves but also to be commercialized. In other word, the agencies help the people to utilized the available resources in efficient and effective ways rather than waste it. The agencies also provide loans and also properties that they lent to the people.

Beside that, the state agencies also help the local people in order to more expose in the real trading competition. Therefore they can compete with others in real market. The state agencies also provide the entrepreneurship courses, programmes and talks for outside people especially rural people and also school students.

## CHAPTER 2: ISSUES

### 2.1 Matters Arising

Financial report always become the main source for referring purposes according to evaluate performance of the performance of the particular company. Therefore, any changes attached to the financial report have their own meaning and impacts to the company. The issues for this study are:

- 2.1.1 How is Sarawak Economic Development Corporation performance compared to the other Malaysian state agencies?
- 2.1.2 Is there any benchmark or standard for the performance of state agencies?
- 2.1.3 Is there any impact to the state agencies calculated based on the financial ratios?
- 2.1.4 Any changes to Sarawak Economic Development Corporation performance based on the two consecutive years calculated? If so, what could be the rationale?