



**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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## 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 due to 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.



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## CHAPTER I INTRODUCTION

### 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.

