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**A STUDY ON INVESTMENT CLIMATE FOR MALAYSIAN  
INVESTORS IN PARTICULAR LOOKING AT TENURE OF  
BUSINESS AND THE BARRIERS TO INVESTMENT IN  
VIETNAM**

**By**

**RAVI VARMMAN K.KANNIAPPAN**  
**Bachelor of Social Science (Management)**  
**Universiti Sains Malaysia**  
**Pulau Pinang, Malaysia**  
**1987**

**Submitted to the Faculty of  
Economics & Administration  
University of Malaya  
in partial fulfillment of  
the requirement for the Degree of  
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*DEDICATED TO*

*RAVIENA, HARSHINI, DIVYA, ROSHAN & KAVIN*

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## ABSTRACT

Vietnam has created a constant state of excitement ever since its economic reforms began ten years ago.

Vietnam was the new Eldorado and investors were lured by its wealth and potential. Then came stories that revealed a more troubled side.

There were contracts not honoured and licences revoked. There was talk of corruption amongst local officials, and whimsical changes of heart amongst the Vietnamese bureaucrats.

As more Malaysian businessmen are converging to Vietnam to tap the potential, many have learned bitter lessons. But it has not stopped others from continuously trying to break the Vietnamese challenge as the temptation of returns are hard to resist.

In the wake of these developments, it is timely that this exploratory study is carried out, to provide a critical look at Vietnamese business climate from the perspective of Malaysian investors.

This study attempts to look at two major issues; that Malaysian investors are venturing to Vietnam with long term interest and that the greatest barrier in doing business in Vietnam is its Investment Laws . This study also looks at the type of industry that Malaysian companies are involved.

The result of the study showed that Malaysian companies are generally interested in establishing long term relationship with Vietnam. Further the study also confirmed that the greatest barrier to Malaysian investors is Vietnam's complex and often contradictory Investment Laws. Lastly there is also a moderately high number of Malaysian companies involved in infrastructural development projects.

It is hoped that this project paper would provide greater insides to the realities in Vietnam towards investment prospects.

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