

CHAPTER SIX

CONCLUSION

6.1 SUMMARY OF SURVEY FINDINGS

From the results of the survey, we find that most Malaysian companies in Vietnam are there for long term business interest rather than short term. This can be attributed greatly to the prevailing Vietnamese government expectations on foreign investors.

Secondly, we also found from the survey that the greatest barrier faced by Malaysian Investors is the Investment Laws in Vietnam which is often conflicting and contradictory. This phenomena can be attributed to the VP's objectives of while creating a free enterprise they would also want to maintain socialism. Juggling capitalist economy with a socialist politics would definitely add confusion and chaos.

Thirdly, the research finding also indicated that most Malaysian companies investing in Vietnam are involved in infrastructural development projects. As these are greatly lacking and Vietnam needs such developments, it would be ideal to bond a good relationship to create a mutually gainful endeavour.

6.2 IMPLICATION OF THE STUDY

Vietnam represents an increasingly attractive opportunity for trade and investment. But the fact also remains that there has been number of failures by investors in Vietnam.

“Doi Moi” although created much attention to foreign investment, yet the Vietnamese words and deeds continue to make investors uneasy and risky for investment. Generally the concept of two step forward, one step backward syndrome is unlikely to change in the near future.

Cycles of economic reforms are interrupted by conflicting laws, lack of infrastructural facility as well as political upheavals.

This study was conducted to provide an exploratory perspective for Malaysian companies to take a realistic look at today’s Vietnamese business climate.

From the analysis we can conclude that Vietnam has vast potential but at the same time has its risk element.

In the attempt to look at the tenure of investment projects by Malaysian companies. It was concluded that most Malaysian companies are there for long term rather than short term. Therefore any future Malaysian companies who would want to go to

Vietnam should be thinking of long term investment rather than trying to make a quick profit and leave. From the business perspective it is very vital that corporate planners take this into account in preparing strategic plans before embarking to Vietnam.

It is also important to note that Vietnam's government is looking for sincere and committed partners.

On the issue of investment barriers it is also very evident that the greatest barrier to investment is Investment Law.

Malaysian companies who wishes to invest in Vietnam should clarify and study all legal matters and implication before engaging in an investment.

6.3 LIMITATIONS OF THE RESEARCH

There are several limitations of this survey.

This is basically a cross sectional study, based on data collected from a sample of companies registered with MITI from Federal Territory Kuala Lumpur.

Secondly, the sample size was considered small.

Thirdly the research only looked at the various barriers but it did not explore further within each barrier.

Fourthly, this research also did not include primary response from the Vietnamese government, we feel it is very important to strengthen the convictions of Malaysian investors about the country.

Finally, this research did not do any post mortem on any companies that has successfully invested in Vietnam as well as companies that have failed in Vietnam. This information would definitely provide a more strategic outlook on the study.

6.4 RECOMMENDATIONS FOR FUTURE RESEARCH

This research can be classified as an exploratory research in looking at Malaysian Investment Involvement in Vietnam.

This research should pave the way for more indepth study on:

- 1) Political and Economical Climate Conducive for Malaysian Investors.
- 2) Specific barriers and possible ways to overcome these barriers for Malaysian Investors.
- 3) Type of Industry Conducive to Malaysian Investors to invest.
