

APPENDIX I

WEF Competitiveness Ranking, 1996 – 1998

Country	1996 Ranking	1997 Ranking	1998 Ranking
Singapore	1	1	1
Hong Kong	2	2	2
United States	4	3	3
United Kingdom	15	7	4
Canada	8	4	5
Taiwan	9	8	6
Netherlands	17	12	7
Switzerland	6	6	8
Norway	7	10	9
Luxembourg	5	11	10
Ireland	26	16	11
Japan	13	14	12
New Zealand	3	5	13
Australia	12	17	14
Finland	16	19	15
Denmark	11	20	16
Malaysia	10	9	17
Chile	18	13	18
Korea	20	21	19
Austria	19	27	20
Thailand	14	13	21
France	23	23	22
Sweden	21	22	23
Germany	22	25	24
Spain	32	26	25
Portugal	34	30	26
Belgium	25	31	27
China	36	29	28
Israel	24	24	29
Iceland	27	38	30
Indonesia	30	15	31
Mexico	33	33	32
Philippines	31	34	33
Jordan	28	43	34
Czech Republic	35	32	35
Argentina	37	37	36
Peru	38	40	37
Egypt	29	28	38
Vietnam	n/a	49	39
Turkey	42	36	40
Italy	41	39	41
South Africa	43	44	42
Hungary	46	46	43

Country	1996 Ranking	1997 Ranking	1998 Ranking
Greece	39	48	44
Venezuela	47	47	45
Brazil	48	42	46
Colombia	40	41	47
Slovakia	n/a	35	48
Poland	44	50	49
India	45	45	50
Zimbabwe	n/a	51	51
Russia	49	53	52
Ukraine	n/a	52	53

Source: World Economic Forum. *Global Competitiveness Report 1997*.
Internet (1998 ranking).

APPENDIX II

IMD Competitiveness Ranking, 1996 - 1998

Country	1996 Ranking	1997 Ranking	1998 Ranking
United States	1	1	1
Singapore	2	2	2
Hong Kong	3	3	3
Netherlands	7	6	4
Finland	15	4	5
Norway	6	5	5
Switzerland	9	7	7
Denmark	5	8	8
Luxembourg	8	12	9
Canada	12	10	10
Ireland	22	15	11
United Kingdom	19	11	12
New Zealand	11	13	13
Germany	10	14	14
Australia	21	18	15
Taiwan	18	23	16
Sweden	14	16	17
Japan	4	9	18
Iceland	25	21	19
Malaysia	23	17	20
France	20	19	21
Austria	16	20	22
Belgium	17	22	23
China	26	27	24
Israel	24	26	25
Chile	13	24	26
Spain	29	25	27
Hungary	39	36	28
Portugal	36	32	29
Italy	28	34	30
Argentina	32	28	31
Philippines	31	31	32
Turkey	35	38	33
Mexico	42	40	34
Korea	27	30	35
Greece	40	37	36
Brazil	37	33	37
Czech Republic	34	35	38
Thailand	30	29	39
Indonesia	41	39	40
India	38	41	41
South Africa	44	44	42
Venezuela	45	45	43
Colombia	33	42	44
Poland	43	43	45
Russia	46	46	46

Source: IMD, World Competitiveness Yearbook 1997
Internet (1998 ranking)

APPENDIX III

Approved Manufacturing Projects by Capital Investment and CIPE, 1985-1997

Year	1985-1990	1991	1992	1993	1994	1995	1996	1997
Number	3,835	973	874	686	870	898	782	754
Employment ('000)	643.2	179.4	106.0	94.6	136.5	117.6	91.9	71.3
Capital investment (RM billion)	64.3	30.8	27.8	13.8	22.9	20.8	34.2	25.8
Local	28.4	13.8	10.0	7.5	11.6	11.7	17.2	14.5
Foreign	35.9	17.0	17.9	6.3	11.3	9.1	17.0	11.3
CIPE (RM'000)	100	172	262	146	168	177	372	362

CIPE: Capital Intensity Per Employee

Approved Manufacturing Projects by Industry, 1985-1997

Industry	1985-1990	1991-1997	Total	% share
Food Manufacturing	257	300	557	5.8
Beverages & Tobacco	21	32	53	-
Textile & products	422	381	803	8.3
Leather & products	16	30	46	-
Wood & products	267	415	682	7.1
Furniture & fixtures	121	247	368	3.8
Paper, printing & Publishing	132	203	335	3.5
Chemicals & products	180	366	546	5.6
Petroleum refineries & Products	25	41	66	-
Natural gas	-	3	3	-
Rubber products	516	182	698	7.2
Plastic products	182	404	586	6.1
Non-metallic mineral Products	217	352	569	5.9
Basic metal products	140	260	400	4.1
Fabricated metal Products	209	333	542	5.6
Machinery manufacturing	140	302	442	4.6
Electrical & electronic Products	671	1,532	2,203	22.8
Transport equipment	203	292	495	5.1
Scientific & measuring Equipment	21	42	63	-
Miscellaneous	95	120	215	2.2
Total	3,835	5,837	9,672	100.0

Source: MIDA

APPENDIX IV

Regression

Variables Entered/Removed^b

Model	Variables Entered	Variables Removed	Method
1	transpare ncy, CONTRO L, gdp, growth , corp. taxes, improper practices, incentive, POL.SYS, infrastruc ture, EXPORT ^a		Enter

a. All requested variables entered.

b. Dependent Variable: FDI

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.923 ^a	.851	.703	137.9362

a. Predictors: (Constant), transparency, CONTROL, gdp, growth , corp. taxes, improper practices, incentive, POL.SYS, infrastructure, EXPORT

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1089900	10	108990.0	5.728	.005 ^a
	Residual	190264.1	10	19026.407		
	Total	1280164	20			

a. Predictors: (Constant), transparency, CONTROL, gdp, growth , corp. taxes, improper practices, incentive, POL.SYS, infrastructure, EXPORT

b. Dependent Variable: FDI

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-717.287	246.411		-2.911	.016
	CONTROL	67.651	30.098	.455	2.248	.048
	EXPORT	-.928	2.385	-.163	-.389	.705
	gdp	.709	.295	.616	2.401	.037
	growth	14.423	15.277	.219	.944	.367
	improper practices	-22.193	49.224	-.178	-.451	.662
	incentive	4.597	48.916	.026	.094	.927
	infrastructure	-29.016	46.459	-.209	-.625	.546
	POL.SYS	-1.544	48.322	-.010	-.032	.975
	corp. taxes	-32.778	41.487	-.225	-.790	.448
	transparency	119.913	79.051	.708	1.517	.160

a. Dependent Variable: FDI

APPENDIX V

Regression

Variables Entered/Removed^a

Model	Variables Entered	Variables Removed	Method
1	gdp		Stepwise (Criteria: Probability-of-F-to-enter <= .050, Probability-of-F-to-remove >= .100).
2	CONTROL		Stepwise (Criteria: Probability-of-F-to-enter <= .050, Probability-of-F-to-remove >= .100).

a. Dependent Variable: FDI

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.758 ^a	.574	.552	169.4132
2	.847 ^b	.718	.686	141.6846

a. Predictors: (Constant), gdp

b. Predictors: (Constant), gdp, CONTROL

ANOVA^c

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	734848.5	1	734848.5	25.604	.000 ^a
	Residual	545315.7	19	28700.827		
	Total	1280164	20			
2	Regression	918822.9	2	459411.4	22.885	.000 ^b
	Residual	361341.3	18	20074.517		
	Total	1280164	20			

a. Predictors: (Constant), gdp

b. Predictors: (Constant), gdp, CONTROL

c. Dependent Variable: FDI

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-96.999	56.164		-1.727	.100
	gdp	.872	.172	.758	5.060	.000
2	(Constant)	-558.273	159.447		-3.501	.003
	gdp	1.026	.153	.891	6.713	.000
	CONTROL	59.760	19.740	.402	3.027	.007

a. Dependent Variable: FDI

Excluded Variables^c

Model		Beta In	t	Sig.	Partial Correlation	Collinearity Statistics
						Tolerance
1	CONTROL	.402 ^a	3.027	.007	.581	.889
	EXPORT	-.005 ^a	-.029	.978	-.007	.890
	growth	.089 ^a	.581	.569	.136	.999
	improper practices	.146 ^a	.952	.354	.219	.964
	incentive	.222 ^a	1.495	.152	.332	.959
	infrastructure	.099 ^a	.633	.535	.147	.949
	POL.SYS	.254 ^a	1.732	.100	.378	.940
	corp. taxes	.125 ^a	.807	.430	.187	.951
	transparency	.235 ^a	1.619	.123	.357	.979
2	EXPORT	.014 ^b	.103	.919	.025	.888
	growth	.188 ^b	1.506	.150	.343	.944
	improper practices	.055 ^b	.408	.689	.098	.907
	incentive	.186 ^b	1.497	.153	.341	.950
	infrastructure	.065 ^b	.490	.631	.118	.942
	POL.SYS	.220 ^b	1.800	.090	.400	.932
	corp. taxes	.076 ^b	.573	.574	.138	.935
	transparency	.193 ^b	1.575	.134	.357	.965

a. Predictors in the Model: (Constant), gdp

b. Predictors in the Model: (Constant), gdp, CONTROL

c. Dependent Variable: FDI

APPENDIX VI

Foreign Equity Participation

- . No equity condition is imposed on projects that export 80% or more of production.
- . Foreign equity up to 79% is allowed for projects exporting between 51% to 79% of production.
- . Foreign equity between 30% to 51% is allowed for projects exporting between 20% to 50% of production.
- . Foreign equity up to a maximum of 30% is allowed for projects exporting less than 20% of production.
- . Foreign equity up to 100% may be allowed for projects producing high technology products or priority products for the domestic market as determined by the government.

Distribution of Malaysian Equity

- . Where foreign equity is less than 100% for projects initiated by foreigners, and where no local partners have been identified:
 - If foreign equity is 70% or more, the balance is reserved for bumiputeras.
 - If foreign equity is less than 70%, 30% is reserved for bumiputeras and the balance for non-bumiputeras.
- . For projects initiated by bumiputeras on a joint-venture basis with foreigners:
 - If foreign equity is 70% or more, the balance is reserved for bumiputeras.
 - If foreign equity is less than 70%, the balance is reserved for bumiputeras.
- . For projects initiated by non-bumiputeras on a joint-venture basis with foreigners:
 - If foreign equity is 70% or more the balance is allocated to the non-bumiputeras concerned.
 - If foreign equity is less than 70%, 30% is allocated to the non-bumiputeras concerned, and the balance is reserved for bumiputeras.