

**PROCUREMENT PRACTICES
AMONG FOREIGN AND LOCALLY-OWNED
EPS MOULDERS**



CLOSED STACKS

By

CHOY KOK SENG

Bachelor of Engineering

National University of Singapore

Singapore

1986

Submitted to the Faculty of

Economics & Administration

University Malaya

in partial fulfillment of the requirement for

the Degree of

MASTER OF BUSINESS ADMINISTRATION

February, 1995

97.06.16.
Disponible en microfiche
N. 1293
Jurnal 11/11/1995



TABLE OF CONTENTS

Chapter		Page
	ABSTRACT.....	I
	ACKNOWLEDGEMENTS.....	II
1	INTRODUCTION.....	1
2	LITERATURE REVIEW, OBJECTIVE STATEMENTS AND RESEARCH METHODOLOGY.....	3
	Foreign Direct Investment Overview.....	3
	Do MNEs import or procure locally their major inputs?.....	5
	Do MNEs buy more or less than indigenous firms from local suppliers?.....	7
	Statements of research objectives.....	10
	Methodology.....	11
3	MALAYSIAN EPS INDUSTRY BACKGROUND AND DEVELOPMENT.....	13
	What is EPS?.....	13
	EPS development in Malaysia.....	14
	EPS development in central Malaysia region.....	18
	EPS moulding process and process inputs.....	20
	Major inputs to be purchased.....	22
4	RESEARCH FINDINGS.....	27
	Statistical findings - weightage proportion of inputs.....	28
	Statistical findings - local content of purchases.....	31
	EPS raw materials.....	32
	Plant and Machineries.....	35
	Moulds	37
5	CONCLUSION.....	39
6	BIBLIOGRAPHY.....	42

ABSTRACT

Due to the increased foreign direct investments coming into Malaysia in recent years, there was some concern over the spill-over effects of such activities. One of the main issues is whether the multinationals are supporting the local suppliers when it comes to purchasing of inputs to production. The question of patriotism is raised when we wonder if the indigenous firms are buying more or less from the local sources as compared to the foreign joint ventures.

Many studies had been done on this topic in various parts of the world but little can be found in Malaysia. The objective of this study is to probe into the two issues mentioned in the last paragraph.

The scope of this study is confined to the expanded polystyrene moulding industry within the central region of West Malaysia.

During the course of study, problems were encountered relating to the request from the moulders not to reveal their identities. This hurdle was overcome by percentage reporting and the avoidance of publishing individual company's results

ACKNOWLEDGEMENTS

First and foremost, I wish to express my heartfelt appreciation to my supervisor, Dr Nazari for his help throughout the period of this research. His unselfish advice and guidance has been exemplary.

My special thanks also go to my fellow classmates especially, the G-7 gang , who have made this Master course an enriching and memorable one.

Also, I am indebted to Vivian for her help in arranging for the print-out of this research paper.

Last but not least, my deepest appreciation goes to Mei for her patience and moral support during the taxing period of this study.