

## **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