



**Factum Scale:**

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1

2

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4

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Best

## 4 Ease of Doing Business:

- Malaysia is ranked 12 out of 190 countries on [The World Bank's Ease of Doing Business Index](#), indicating a favorable environment for starting and operating a business.
- It takes just 2.5 days on average to start a business in Malaysia, much faster than the regional average of 59.4 days. Registration can be completed online in under 4 hours.
- Malaysia ranked 4th best in the world for Getting Electricity and 3rd for Protecting Minority Investors in the World Bank Index. Its weakest measures are Resolving Insolvency (51st) and Enforcing Contracts (33rd).

## 5 Fluency in English:

- English is widely spoken across Malaysia as the country's second official language. It has a 'high proficiency' score on the [EF English Proficiency Index](#).
- Over 60% of Malaysians speak English, especially in large cities like Kuala Lumpur where it is the lingua franca of business. English is used in international trade and the majority of private colleges and universities.
- The government aims for Malaysia to achieve 100% English literacy by 2025 through major education reforms. Initiatives are expanding access to English teaching for over 5 million public school students.

## 4 Labor:

- Malaysia has an affordable, literate and young workforce of 16 million people. The unemployment rate is just 3.6% as of Nov 2022.
- Over 60% of the population is under 35 years old. The labor force participation rate is 68.8% with rising education levels, including 36.6% enrollment in tertiary education.
- Malaysia is transitioning from labor-intensive manufacturing toward more high skilled industries. It offers competitive salaries to recruit top talent, especially in IT services, electrical & electronics manufacturing, financial services and healthcare.

## 4 Economic Stability:

- Malaysia has a \$73.6 billion GDP economy that relies on manufacturing, agriculture, and tourism. GDP is expected to grow 4% in 2023 according to the World Bank.
- Strategically located along key shipping routes, it offers easy access to major markets like China, India, Indonesia and Thailand.
- Malaysia provides financial incentives for foreign investors across high tech manufacturing, EVs, machinery & equipment production and more. It offers 10 year tax exemptions and import duty waivers to drive growth.

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## 5 Society, Culture and Business Etiquette:

- Malaysia is a multicultural, predominantly Muslim nation that highly values relationships and etiquette in business. Be sure to take time to establish rapport.
- Greetings tend to be more formal (handshakes, slight bow). Use titles until invited otherwise. Avoid confrontational tones.
- Meetings start and end on time. Dress professionally.

## 5 Tariffs & Regulations:

- Malaysia has an average MFN applied tariff rate of 5.7%, quite low globally. Under various FTAs this drops below 2% with partners.
- It offers liberal investment incentives like pioneer status (70-100% tax exemption for 5-10 years) and investment tax allowances (60-100% capital investment deductible from taxable income).
- Intellectual property regulations are stringent and enforced. Malaysia offers strong legal protections for investors.

## Business Structures:

- Popular foreign business structures include locally incorporated companies, regional HQs, representative offices and branches. Partnerships, sole proprietorships and joint ventures are options too.
- The government actively supports co-investments between foreign multinationals and trusted local partners to ease market entry through their Global Supplier Programme and Domestic Investment Strategic Fund.

## Business Landscape:

- Malaysia has developed a thriving private sector, with SMEs representing nearly all businesses. Just 36 companies are government-linked, spanning transportation, telecoms and energy.
- Major Malaysian firms operate in manufacturing, finance, plantations, property development, telecoms and transportation. Many global MNCs have regional HQs in Malaysia.

## Notable Institutions:

- Malaysian Investment Development Authority (MIDA)
- Companies Commission of Malaysia (CCM)
- Malaysia External Trade Development Corporation (MATRADE)
- Malay, Chinese and Foreign Chambers of Commerce

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