

I-3 Questionnaire Sheet for the Survey in Japan

QUESTIONNAIRE TO THE ENTERPRISE THAT IS INTERESTED IN OVERSEAS INVESTMENTS

You are requested to make entries in articles below or to enclose proper numbers with circles about the epitome of your respective enterprise.
(Management indices are expected to go with the financial statement base of 1987.)

Name of Enterprise	
Location	
Establishment year	
Kind of Corporation	1. Japanese Enterprise 2. 100% Foreign Affiliate 3. Over 50% Foreign Affiliate
Capital	(Paid-up Capital)
Gross Sales	(Yearly Turnover)
Ratio of Overseas Production	% (Amount of Overseas Production/Gross Sales x100)
Total Number of Employees	Persons
Main Products, Treated Items	
Name of the Department/ Division which is in charge of the Questionnaire Entry	
Official Position & Full Name of the Person who makes an Entry.	Official Position _____ Full Name _____

1. The way of answering Question.

(1) Questions are divided into 8 general items as follows:

- I. Policies & Institutions by the Government
- II. Tax Systems III. Economic Circumstances
- IV. Personnel Management V. Infrastructures
- VI. Parts Supply VII. Concerning the Overseas Production
- VIII. Concerning the Technical Tie-up

(2) Each general items I to V consists of 3 sections such as Item Section, Questionary Section, and Answering Section.

① With regard to the Item Section:

The items, which are supposed to be necessary for the examination of the plant establishment, are listed.

② With regard to the Questionary Section:

You are requested your respective enterprise's evaluation for each country about the aforementioned items.

③ With regard to Answering Section:

This section is for entering your evaluation owing to the examination of the plant establishment for each country about the aforementioned questions. You are requested to enclose the proper number with a circle by country.

2. The closing day of presentation:

You are requested to send back this questionnaire with the enclosed return envelope by the last day of November 1988.

3. In case that the way of entries is not clear for you, please make a reference to the undermentioned;

Japan External Trade Organization (JETRO)

Malaysia Industrial Product Development Survey Project Group

TEL : (03) 582-5525

Address: 2-2-5 Toranomon Minato-ku Tokyo 〒105

1. Policies & Institutions by the Government

Item	Question	Answer					
(1) Basic stance of foreign capital	How do you evaluate the basic stance to foreign capital?	Great Plus Factor	Plus Factor	Fair	Minus Factor	Serious Minus Factor	
		5	4	3	2	1	
		Malaysia	5	4	3	2	1
		Thailand	5	4	3	2	1
		Singapore	5	4	3	2	1
		Korea	5	4	3	2	1
(2) Restriction of investment ratio	How do you evaluate each country's restriction of investment ratio?	Great Plus Factor	Plus Factor	Fair	Minus Factor	Serious Minus Factor	
		5	4	3	2	1	
		Malaysia	5	4	3	2	1
		Thailand	5	4	3	2	1
		Singapore	5	4	3	2	1
		Korea	5	4	3	2	1

II. Tax Systems

Item	Question	Answer					
(1) Corporation Tax	How do you evaluate the corporation tax of each country?	Great Plus Factor	Plus Factor	Fair	Minus Factor	Serious Minus Factor	
		<div><div></div><div></div><div></div><div></div><div></div></div>					
		Malaysia	5	4	3	2	1
		Thailand	5	4	3	2	1
		Singapore	5	4	3	2	1
Korea	5	4	3	2	1		
(2) Preferential Tax System	How do you evaluate the preferential tax system of each country?	Great Plus Factor	Plus Factor	Fair	Minus Factor	Serious Minus Factor	
		<div><div></div><div></div><div></div><div></div><div></div></div>					
		Malaysia	5	4	3	2	1
		Thailand	5	4	3	2	1
		Singapore	5	4	3	2	1
Korea	5	4	3	2	1		

III. Economic Circumstances

Item	Question	Answer				
(1) Economic Scale	How do you evaluate the economic circumstances of each country (The figures show GDP)?	Great Plus Factor	Plus Factor	Fair	Minus Factor	Serious Minus Factor
		5	4	3	2	1
	Malaysia	5	4	3	2	1
	Thailand	5	4	3	2	1
	Singapore	5	4	3	2	1
	Korea	5	4	3	2	1
(2) Income level	How do you evaluate GDP per capita of each country?	Great Plus Factor	Plus Factor	Fair	Minus Factor	Serious Minus Factor
		5	4	3	2	1
	Malaysia	5	4	3	2	1
	Thailand	5	4	3	2	1
	Singapore	5	4	3	2	1
	Korea	5	4	3	2	1
(3) Rate of economic growth	How do you evaluate each country's rate of economic growth?	Great Plus Factor	Plus Factor	Fair	Minus Factor	Serious Minus Factor
		5	4	3	2	1
	Malaysia	5	4	3	2	1
	Thailand	5	4	3	2	1
	Singapore	5	4	3	2	1
	Korea	5	4	3	2	1

IV. Personnel Management

Item	Question	Answer					
(1) Wage	How do you evaluate the wage level of each country? (Example of a worker's wage)	Great Plus Factor	Plus Factor	Fair	Minus Factor	Serious Minus Factor	
		Malaysia	5	4	3	2	1
		Thailand	5	4	3	2	1
		Singapore	5	4	3	2	1
		Korea	5	4	3	2	1
(2) Education level	1. How do you evaluate each country's percentage of school attendance?	Great Plus Factor	Plus Factor	Fair	Minus Factor	Serious Minus Factor	
		Malaysia	5	4	3	2	1
		Thailand	5	4	3	2	1
		Singapore	5	4	3	2	1
		Korea	5	4	3	2	1
	2. In general tendency, to what position do you think native person can be assigned? You are requested to put marks with circles on all columns which seem to be possible for native person. After this, please answer about the evaluation in right section.	Great Plus Factor	Plus Factor	Fair	Minus Factor	Serious Minus Factor	
		Malaysia	5	4	3	2	1
		Thailand	5	4	3	2	1
		Singapore	5	4	3	2	1
		Korea	5	4	3	2	1
(3) Worker's fixing condition	How do you evaluate the each country's samples councerning occupational change ratio?	Great Plus Factor	Plus Factor	Fair	Minus Factor	Serious Minus Factor	
		Malaysia	5	4	3	2	1
		Thailand	5	4	3	2	1
		Singapore	5	4	3	2	1
		Korea	5	4	3	2	1

V. Infrastructures

Item	Question	Answer					
(1)Infrast- ructures	You are requested to put the suitable number (5 to 1) on each column with the fallowing standard according to your evaluation. Based on the data, please answer about your evaluation to each country in right section. 5 = very excellent 4 = excellecnt 3 = fair 2 = bad 1 = very bad	Great Plus Factor	Plus Factor	Fair	Minus Factor	Serious Minus Factor	
		Malaysia	5	4	3	2	1
		Thailand	5	4	3	2	1
		Singapore	5	4	3	2	1
		Korea	5	4	3	2	1
(2) Costs of lands and buildings	How do you evaluate each country's samples concerning costs of lands and buildings ?	Great Plus Factor	Plus Factor	Fair	Minus Factor	Serious Minus Factor	
		Malaysia	5	4	3	2	1
		Thailand	5	4	3	2	1
		Singapore	5	4	3	2	1
		Korea	5	4	3	2	1

VI. Parts Supply

Item	Question	Answer			
Parts Supply	Are you supplying the following parts on the spot ? You are requested to put the mark with a circle by each parts with the selection of supplying country.	Malaysia	Thailand	singapore	Korea
	• Plastic injection moulding item				
	• press copper plate item				
	• cutting, grinding, and shaft item				
	• transistor				
	• diode, IC				
	• ROM/RAM, MPU				
	• condenser, resistance				
	• motor				
	• electric source unit				
	• modem				
	• keyboard				
	• FDD, CRT				
	• Conductor, harness				
	• CCD sensor				
• switches, connectors, sockets					

VII. Concerning the Overseas Production

(1) Presently do you have production base(s) abroad?

You are requested to write down the number of production base(s) and main production item(s) by country and by form.

	Number of Production Base(s)				Main Production Item(s)
	Self-Investment (100%)	Joint	Others	Total	
Malaysia					
Thailand					
Singapore					
Korea					
Others *					

* Please write down the name(s) of country/countries

(2) How do you evaluate Malaysia if you choose her as production base in future?

You are requested to answer about your general evaluation.

(Please put the mark with an circle to the suitable number by supposed item.)

Supposed Production Item	Impossible for a while	Around 4-5 Years Later There is Possibility	Within 2-3 Years There is possibility as the Proposed	Possible to Investigate or Under Investigation as one of the Proposed	There is a Concrete Plan

(3) When you answer that you are under investigation or you have a concrete plan in the above question, please answer the following questions as long as they suit your convenience.

Advance Form : _____

Time of Production Commencement : Year _____ Month _____

(4) Presently do you have a plan of construction advance besides in Malaysia?
Please answer it as long as it suits your convenience.

Name of the Country : _____ ;

Planned Production Item(s) : _____

VII. Concerning the Technical Tie-up

(1) Presently are you carrying out the technical tie-up abroad?

Name of the Country	Contents of the Technical Tie-up (including loyalty)	Duration (unit : year(s))
Malaysia		
Thailand		
Singapore		
Hong Kong		
Taiwan		
Korea		
Others *		

* Please wirete down the name(s) of country/countries.

(2) How do you evaluate Malaysia as the country with which the technical tie-up will be done?
 (After entering the contents of the supposed technical tie-up, you are requested to put the mark with a circle to the suitable number for the evaluation.)

Contents of the Supposed Technical Tie-up	Impossible for a while	Around 4-5 Years Later There is Possibility	Within 2-3 Years There is possibility as the Proposed	Possible to Investigate or Under Investigation as one of the Proposed	There is a Concrete Plan

- (3) Presently do you have a plan of technical tie-up besides with Malaysia?
Please answer it as long as it suits your convenience.

Name of the Country	Contents of the Technical Tie-up

Thank you very much for your cooperation.

I-4 List of Malaysian Companies Expecting for Tie-ups

I-4 List of Malaysian Companies Expecting Tie-ups

Company Name	Address	Telephone	Name of Representative	Established	No. of Employees	Capitalization (M\$)	Main Products	Capital tie-up	Technical tie-up
[ELECTRONICS]									
Robert Bosch (Malaysia) Sdn. Bhd.	Free Trade Zone, Phase 1 11900 Bayan Lepas Pulau Pinang GPO Box No. 224 10720 Pulau Pinang	-837711 837712 837713	W.P. Vogel	1972	2,800	10 Mill.	Car Radios and Boosters, Antenna and parts thereof		○
Singamip Industry Sdn. Bhd.	313, Lot 2557, 672 m/s Jalan Skudai, 81200 Johor Bahru, Johor	-367461 -367462 -367463	Lim Chai Hock Lim Chye Hoo	1983	2,220	3.5 Mil.	Radio and Radio Cassette Mechanism & Parts Thereof	○	○
Pernas Nec Telecommunication Sdn. Bhd.	Lot 1028, Jalan Enagang Slangor	-456018	Haji Abeal Azia Derwish	1973	280	2,000,000		○	○
Todai (Malaysia) Sdn. Bhd.	3-48-6, Sendagi Bunkyo-Ku, Tokyo, Japan	07-367229 -367230	Fukuo Shimura Norio Terakawa	1986	100	900,000	Depussing coil, Line filter, Choke trans	○	
Precico Sdn. Bhd.	982, Lot 20, Kawasan Miel, Prai Industrial Estate, 13600 Prai, P.W.	04-307414 -307521	Gooi Soon Hock	1978	385	1,000,000	Metal, Plastic		○
Kitako Electronics (M) Sdn. Bhd.	PT 1481 Senawang Industrial Estate 70450 Seremban, Negeri Sembilan	06-770710 -770711	Phillip Ko	1984	135	2,500,000		○	
Hageveer Industries (M) Sdn. Bhd.	19 Jalan Tradings, 48050 Petaling Jaya, Malaysia	03-7910711	T. Van Dijk	1969	205	1,260,000	Plastic components, Sensitized Diazo paper BIC Ballpoint pens	○	
Uniphone Sdn. Bhd.	Bangunan Sapura, Jalan Eyangang Ulu Kelang, 54200 Kuala Lumpur	03-4572033	Dato' Shamsuddin Bin Abdul Kadir	1972	807	5,000,000	S2000- Telephone Sets	○	○
Syarikat Wire Malaysia Sdn. Bhd.	P.O. Box 42, 40700 Shan Alam, Selangor Darul Ehsan	03-5591792	Pun Chung Fun	1967	57	3,465,000	Electric Wires and cables	○	○
Electrical Power Engineering (M) Sdn. Bhd.	Lot 1296, KPU Baw, 5th Mile Jacan Ipoh, 51200 K.L.	-6272277	Dr. Janawddin Dato	1972		1,000,000		○	○

Company Name	Address	Telephone	Name of Representative	Established	No. of Employees	Capitalization (M\$)	Main Products	Capital tie-up	Technical tie-up
PDL-Wylex Sdn. Bhd.	Persiaran Selangor P.O.Box 88 Section 16 40700 Shah Alam	03-5522994	Grian E Cossar	1977	242	2,478,320	Electrical Wiring Accessories	○	○
Matsushita Precision Industrial Co. (M) Sdn. Bhd.	PLD.NO. 1 Kawasan Perdagangan Bebas(FTZ), K8 NO. 104, 81400 Senai, Johor	07-532868 -591801 -591808	T. Uemura	1978	675	8,000,000	Deflection Yokes, Flyback Transformers	○	○
NEC Semiconductors (M) Sdn. Bhd.	Telok Panglima Garang Free Trade Zone, 9 1/2 Miles, Jalan Banting, Kuala Langat, Selangor, Malaysia	-3528023	Eiichi Murata	1974	1,238	17,141,000	Integrated Circuits, Transistor, LED	○	○
Multicore Solders (Malaysia) Sdn. Bhd.	Lot 62049 Jalan Portland Tasek Industrial Estate 31400 IPOH	05-551488 05-551482	Chris McGowan	1982	98	4,000,000	Solder Bar & Wire, Flux	○	○
KIT Cheong Electrical Engrs. Sdn. Bhd.	P.O. Box 10940 50730KL.	-7832731 -7832931 -7832042	Chan Wing Kun	1971	22	1,146,500		○	○
Wearnes Electronics (M) Sdn. Bhd.	109, Jalan Pudu, 55100 Kuala Lumpur	03-2324888	Wee Pan Hock	1972	1,024	2,562,500	Led, Coll., Chassis	○	○
Messex Sendirian Berhd	233, Jalan Gangsa, Kawasan Perusahaan Mergong II, 05150 Alor Setar, Kedah	04-717494 04-711675	Ng Yuen Sang	1983	79	2,000,000		○	○
Century Batteries (M) Berhad	No.7, Jalan Kemajuan, 46200 Petaling Jaya, Malaysia	03-7561400 7555110	Lee Tuck Onn	1959	220	8,220,834	Batteries	○	○
O.Y.L. Industries Berhad	Jalan Pengapit 15/19, P.O. Box 72, Seksyen 16, 40700 SHAH ALAM, Selangor Darul Ehan	03-5595361	Liu Wan Min	1974	227	1,205,611	Refrigeration Freezers Split Air-Con/ Room Air-Con	○	
Dai-ichi Electronics (M) Sdn. Bhd.	Lot 37, Bakar Arang Industrial Estate, 08000, Sungai Petani, Kedah, Malaysia	-419131 416543	Tai Keik Hock	1980	243	1,593,600	Speakers	○	○

Company Name	Address	Telephone	Name of Representative	Established	No. of Employees	Capitalization (M\$)	Main Products	Capital tie-up	Technical tie-up
Fujikura Federal Cables Sdn. Bhd.	5097 Mak Mandin Industrial Estate 13400 Butterworth, W. Malaysia	04-345277	Y Hosino	1987	328	20,000,000	Telecommunication Asuminium Cables Power Cables (Copper)	○	○
Penshin Components Sdn. Bhd.	Bayan Lepas, Free Trade Zone Phase 1, Bayan Lepas 11900 Penang	-839014 / 5	Saw Kok Bin	1972	174	147,268	Car Radio Resistor Speaker	○	○
Grundig (M) Sdn. Bhd.	Phase 2 Bayn Lepas Ftz Penang	-840840	Robert Bakic	1988	576	3,500,000	Radios	○	○
Eng Hardware Engineering	Plot 69, Persiaran Kampung Jawa Bayan Lepas Non-Free Trade Zone 11900 Penang	04-840122	Teh Ah Ba	1975		5 Mill.	Tool and Die Parts Stamped Parts Automation	○	○
Davex Engineering (M) Sdn. Bhd.	984 Lot 22 Kawasan Miel Prol Industrial Estate, 13600 Perai	04-308517 396204	Koh Ah Tee	1983	83	500,002	Light Fitting Plastic Radio Under Floor	○	○
Radiola Corp (M) Sdn. Bhd.			X. K. Leong	1978		1.45 Mill.	Car-Radio	○	○
Intel Malaysia Sdn. Bdn.	Bayan Lepas Free Trade Zone Phase 3, 11900 Penang	-832021 ~ 29	Lai Pin Yong	1972	1,408	1,882,367	Integrated Circuits	○	○
Yuasa Power Systems (M) Sdn. Bhd.	Lot 1385 Kawasan Perusahaan Tikam Batu 08600 Sungai Petani, Kedah	04-478806	Toshiyuki Oike	1983	8	2,000,000		○	○
Malaysia Transformer Manufacturing Sdn. Bhd.	Lot No.22, Jalan Au 3/1, Kawasan Perusahaan Ampang/ulu Klang, 54200 Kuala Lumpur	-4078233	Kamaluddin HJ. Ibrahim Ali	1977	1,977	5,000,000	Distribution Transformer	○	○
NEC Semiconductors (M) Sdn. Bhd.	Telok Panglima Garang Free Trade Zone, 9 1/2 Miles, Jalan Banting, Kuala Langat, Selangor, Malaysia	3526023 ~ 5	Elichi Murata	1974	1,238	17,141,000	Integrated Circuits Transistor Led	○	○
Malaysian Quartz Crystal Sdn. Bhd.	Lot 5 & 7 Jalan SS8/4, Seri Setia Free Trade Zone, 47300 Petaling Jaya	-7758211 -7758681 -7758863	Hiromi Katoh	1986	620	5,000,000	Crystal Blank Quartz Crystal Units	○	

II. Rubber Footwear Industry

II-1 Possibility of Investments and Technical Tie-ups

II - 1. Possibilities of Investments and Technological Tie-ups

II - 1 -1. Results of the questionnaire survey in Japan

Questionnaires were sent to 21 member firms of the Japan Rubber Footwear Association, of which 13 firms answered. Investigations through interviews were additionally made with five of them.

(1) Ten of the 13 respondents do overseas production, but most of them on assignment. Moreover, host countries of the production are changing from Korea and Taiwan to China and Indonesia. Although a pretty many joint ventures had been set up in Korea and Taiwan in the past, most of them have been dissolved. Remaining until now are only four including three joint ventures and a wholly-owned subsidiary.

There were no firms that wanted to advance into Malaysia for the time being, but five replied they might consider it in the future. All of the five firms said full consideration should be given to production cost, product quality and investment environment before making any decision on the matter.

(2) Only two of the 13 respondents are in a technological tie-up with overseas firms. The rest are providing technological guidance to firms Korea, Taiwan, China and Thailand. Most of the guidance is aimed at keeping up the level of product quality in connection with the production assignment.

Only one firm replied it might consider a technological tie-up in Malaysia as one of in the future.

(3) Only one firm has production under license in practice in South Korea, Taiwan, China and Indonesia.

The firm, which replied it might consider a technological tie-up in Malaysia, said it might also consider production under license in the country. Since the firm intends to consider also Indonesia and Thailand as the possible site of production under license, any final decision will be made after on-the-spot investigations.

Outline of results of the questionnaire survey in Japan

(a) Overseas production

i) Do you have production bases abroad?

[1] Yes 10 firms [2] No 3 firms

Wholly-owned subsidiary 1 in Korea.

Joint Venture 1 in Korea.

2 in Taiwan

Other 29 in Korea.

34 in Taiwan.

24 in China.

5 in Indonesia.

ii) Do you intend to advance into Malaysia?

[1] Not to be considered for the time being 8 firms

[2] To be considered in two or three years 4 firms

[3] To be considered as one of possibilities 1 firm

iii) Do you plan to advance into elsewhere?

[1] Yes None [2] No 13 firms

(b) Technological tie-up

i) Do you have any technological tie-up with foreign firms?

[1] Yes 2 firms One case each in Canada and Indonesia

[2] No 11 firms

Providing technological guidance 4 firms

Two cases in Korea

Two cases in Taiwan

Three cases in China

One case in Thailand

ii) Do you intend to have a technological tie-up in Malaysia?

[1] Not to be considered for the time being 12 firms

[2] To be considered as one of proposals 1 firm

iii) Do you plan a technological tie-up elsewhere?

[1] Yes None

[2] No 12 firms

[3] Planning a technological guidance 1 firm

One case in Taiwan

(c) Production under license

i) Do you have production under license in practice overseas?

[1] Yes 1 firm One case each in Korea, Taiwan, China and Indonesia

[2] No 12 firms

ii) Are there any possibilities of having production under license in practice in Malaysia?

[1] Not to be considered for the time being 12 firms

[2] To be considered as one of proposals 1 firm

iii) Do you plan to have production under license in practice elsewhere?

[1] Yes 1 firm One case each in Indonesia and Thailand

[2] No 12 firms

Table II. 1-1 Summary of Companies that replied Questionnaires in Japan

Unit : ¥ 1 million

Company	1	2	3	4	5	6	7	8	9	10	11	12	13
Location	Sapporo	Sendai	Nishino- niya	Sakai	Akashi	Tokyo	Kurume	Tokyo	Tokyo	Kura- shiki	Hiro- shima	Hiro- shima	Kura- shiki
Establishment Year	1976	1935	1919	1882	1913	1932	1931	1934	1920	1939	1933	1947	1954
Capital	35	120	1,730	3,380	120	870	1,000	6,740	760	96	48	200	50
Gross Sales	1,400	12,150	14,790	71,330	8,000	72,600	56,000	66,770	18,530	230	530	20,200	5,000
Ratio of Overseas Production	0	4.4%	50%	4%	0	8%	20%	33%	0%	48%	8%	14%	30%
Employees Number	105	496	585	2,027	460	3,000	3,000	1,693	838	180	396	560	350

Source : Survey in Japan

II - 1 - 2. Possibilities of advancing into Malaysia

The analysis stated above indicates very low interest Japanese firms have in Malaysia. It may be due to the fact that Malaysian products could not attain the level of quality required in the Japanese market despite the past approaches made by the Malaysian side and the efforts to import them made by Japanese trading firms. Another may be that Japanese firms had production bases in Korea and Taiwan which are nearer to their country.

Still another reason seems to be that prices of Malaysian products have been found to be higher than expected by Japanese firms which have been looking for cheaper goods due to the recent rise in prices of Korean and Taiwanese products.

Results of interviews we have had on our visit to the Japan Rubber Footwear Association, industrial newspapers specialized in rubber footwear manufacturers indicate their failure to grasp the actual rubber footwear manufacturing condition in Malaysia. The lack of information on particular cases may also be a reason for the slender interest.

After all, the yen is predicted to continue appreciating while the currencies of Korea and Taiwan have gained about 30 percent and 45 percent, respectively, against the U.S. dollar since September 1985. Production cost there has sharply risen due to higher cost of labour and raw materials. As a matter of fact, most of the Japanese firms which had advanced there in the 1960s have already withdrawn, leaving only three firms in Taiwan and two in South Korea.

As a result, it may be said the eyes of Japanese manufacturers now are focused on China, Indonesia and Thailand. In fact, a major firm plans to produce on assignment initially two million pairs a year for the Japanese market and eventually ten million for Japanese, European and American markets combined at a plant set up in February 1989 in a technological tie-up with an Indonesian firm. In addition, there are production bases for the Japanese market including 24 in China, five in Indonesia and one in Thailand. The firms involved are providing them with respective technological guidance as occasion requires.

For the reasons stated above, Korean rubber footwear manufacturers are actively advancing into Thailand and Indonesia while their Taiwanese counterparts are moving briskly into Thailand. Transfer of plants to China is also increasing.

Their interest in Malaysia is slender, mainly because the cost of Malaysian products is higher than that of Chinese Indonesian or Thai products.

Five of the 13 respondents in the questionnairing in Japan replied they might consider an advance into Malaysia as one of proposals in the future if the cost could be reduced and the firms there had technological ability to meet the Japanese specifications.

Keeping the existence of competitors in Indonesia, Thailand and China always in mind, Malaysian firms should immediately start making efforts for a thoroughgoing reduction of cost including purchases of low-priced raw materials, rationalization of manufacturing processes and improvement of labor productivity. No less important is the establishment of quality control systems aimed at stabilizing and improving the quality of their products. The government also should publicize more positively than now the country's perfect infrastructure and excellent labor force in addition to its efforts to establish a supply system of low-priced raw materials and introduce a special financing system. Not to be neglected are approaches not only to Japan but also to Taiwan and South Korea which are beginning to look for production bases abroad.

II - 1 - 3. Willingness of Malaysian firms for a joint venture or a technological tie-up

Every Malaysian rubber footwear manufacturing firm is increasing its production. All the firms that had intended to withdraw from the rubber footwear manufacturing business have already withdrawn. The firms currently in operation are oriented toward the growth of rubber footwear production.

With such situation in the background, willingness of Malaysian firms for a joint venture or a technological tie-up may be said to be strong.

(1) Firms under survey

In the latest survey, we visited and interviewed all the nine rubber footwear manufacturing firms currently in operation. These firms also answered to our questionnaires.

We also visited and interviewed some manufacturers of sandals and soles. Others were surveyed through questionnairing. Of these firms, five revealed their intention about a joint venture or a technological tie-up. Thus, we have had a total of 14 firms under survey about their willingness for a joint venture or a technological tie-up.

(2) Desired tying-up forms

We heard what the firms thought about the three tying-up forms including [1] a joint venture, [2] a technological tie-up and [3] production under license.

Four rubber footwear manufacturing firms favored any of the three forms if it helps strengthen them.

Table II. 1-2 Numbers of Types of Tie-Ups to be requested

Classification	Companies Surveyed	Joint Venture		Technical Tie-Up		Licenced Production	
		○	×	○	×	○	×
Rubber Footwear Manufacturers	9	7	2	6	3	4	5
Sandal-Sole Manufacturers	5	2	3	0	5	0	5
Total	14	9	5	6	8	4	10
		14		14		14	

Notes ○ : Requested

× : Not requested

Source : Survey Questionnaires

On the other hand, two rubber footwear manufacturers and three sandal and sole makers did not desire any of the three forms.

The two rubber footwear manufacturers, founded on foreign capital, saw no reasons for tying up anew.

The three sandal and sole makers did not desire tying up because they were not manufacturing rubber footwear.(Refer to Table II.1-2)

(3) What is expected from a joint venture

A foothold in overseas markets is expected by all of the seven rubber footwear manufacturers and two sandal and sole makers that favor a joint venture.(Refer to Table II. 1-3)

Table II. 1-3 Items to be requested to Joint-Venture Partners

Items to be requested	Rubber Footwear Co.	Sole Co.	Total
1.Entering the Market developed by Partners.	7	2	9
2.Transfer of Production Technology	5	2	7
3.On the Job Training by Partners	5	2	7
4.Corporate Management Information	3	0	3
5.Securement of Fund	3	0	3
6.Product Development	1	0	1

Source : Survey Questionnaires

On our visit to the firms, we were asked by many of them about the trend of the Japanese market. All the firms and official organs showed their interest in catalogs of products of Japanese manufacturers which we brought along on our visit to the firms. It also indicated they wanted to know about the Japanese market.

Trade statistics and the size of firms of Japan also aroused their interest. Such responses may be understood to indicate their strong interest in overseas markets.

1) Broken down by individual firms, there are several characteristics in their expectations. Among rubber footwear manufacturers, one favored a joint venture for marketing solely aimed at opening up new markets.

Three others expressed a particularly strong desire to enter overseas markets. One of them wanted to have a stable buyer of canvas shoes which the firm had not made so far but intended to begin manufacturing if possible.

Another said it wanted to gain a foothold overseas because the firm had not exported thus far.

Still another said it expected to gain a foothold for stepping up exports to the country of its prospective joint venture partner.

While seven firms put expectations on market, five expressed their expectations on technology. Of the remaining two, one was solely aimed at opening up new markets and the other thought there were no problems with its technology.

As many firms put expectations on on-the-job training (OJT) as on the acquisition of technology. This is understood to indicate that they put expectations on on-the-spot guidance as well for the acquisition of technology.

On our field survey, we always visited their factories. At that time, we often were asked for advices on concrete problems about manufacturing technology or information on equipment and material purchases. Many questions were asked also on the manufacturing method of the samples we brought along from Japan. Some said they wanted to visit factories of Japanese firms. Others said they had once asked Japanese firms for such a visit without any results.

These may be understood to indicate their strong desire for information on technology.

Only a few put expectations on management control and fund raising. One of them is currently faced with the problem of funds because of its small size.

Another intends to change itself into a private enterprise from the present management mainly by the state government if it can take the form of a joint venture covering all aspects including funds and management control.

2) Among sandal and sole makers, one is building a factory to manufacture rubber footwear in addition to rubber soles and PVC sandals currently under production. The firm said it wanted to acquire particularly the know-how on technology besides the market information.

Another, which is making rubber soles, PVC sandals and others, put expectations on the prospective joint venture partner for the assurance of a distribution channel and the acquisition of technological know-how about the equipment and materials the firm will need if it begins manufacturing rubber footwear.

3) As for the prospective joint venture partners, expectations on Japanese firms are strong. It is also notable that many put expectations on Korean and Taiwanese firms.

Two rubber footwear manufacturers said they were not choosy about the nationality of partners.

(4) Expectations on a technological tie-up

1) Six rubber footwear manufacturers desire a technological tie-up as against seven desiring a joint venture. No sole makers desire a technological tie-up as against two desiring a joint venture.

One of them prefers a joint venture if the firm is to tie up with a foreign enterprise at all.

Reasons for no sole makers to favor a technological tie-up include the current construction of a new factory and others as stated above.

2) The six rubber footwear manufacturers desirous of a technological tie-up include one which wants to increase its tie-up partners. The firm is one of the two Malaysian rubber footwear manufacturers that have already been in a technological tie-up with foreign enterprises.

The other five, which have not been in a tie-up, appear to have a strong willingness to go into a tie-up anew.

As for the prospective tie-up partners, the firms showed virtually similar expectations to the case of joint venture partners. One of them, however, characteristically said it favored Italian and French firms as well.

(5) Desire for production under license

1) Only four rubber footwear manufacturers desired production under license.

The other two favored a technological tie-up but did not desire production under license. One of them wanted a tie-up solely on marketing, and the other said it had not sufficient technological ability.

2) Of the four manufacturers currently engaged in production under license, three want to expand it.

On the other hand, only one of the five firms currently not engaged in production under license desires to go into it anew.

As for the prospective licensors, South Korean and Taiwanese firms are favored by only one manufacturer unlike the case of a joint venture or a technological tie-up.

Another characteristically favors French, West German and United Kingdom firms as licensors.

II-2 Outline of Japanese Potential Investors

Name of Company	KOHSHIN RUBBER CO., LTD.	
Address	1-1-8, Kojo, Sendai-City, Miyagi 982, JAPAN	
Tel.(TELEX,FAX)	022(286)2112	
Name of President	Hiroshi NISHII	
Name of Person in Charge	Masao IMAZAWA	
Year of Establishment	1935	
Capital	¥120 million	
Number of Employee	496	
Main Product	Rubber Footwear, Raincoat, Industrial Rubber Products	
Type of Investment	1. Sole Proprietorship 2. JV 3. Technical Tie-up	
The Period Expected to Invest	Under Consideration	

Outline of Company which Wishes for Investment

[Rubber Footwear 2]

Name of Company	SEKAICHO RUBBER CO., LTD.	
Address	8-39, Tsumonaka-Cho, Nishinomiya-City, Hyogo 663, JAPAN	
Tel. (TELEX, FAX)	0798 (26) 5712	
Name of President	Taichi ZAIZEN	
Name of Person in Charge	Akira NAKAMURA	
Year of Establishment	1919	
Capital	¥ 1,730 million	
Number of Employee	585	
Main Product	Rubber Shoes, Rubber Building Materials	
Type of Investment	1. Sole Proprietorship 2. JV 3. Technical Tie-up	
The Period Expected to Invest	Under Consideration	

Name of Company	JAPAN INDUSTRY CO.	
Address	359, Chaya-Cho, Kurashiki-City, Okayama 709-11, JAPAN	
Tel. (TELEX, FAX)	0 8 6 4 (2 8) 1 2 3 0	
Name of President	Kaichi BABA	
Name of Person in Charge	-ditto-	
Year of Establishment	1 9 3 9	
Capital	¥ 96 million	
Number of Employee	1 8 0	
Main Product	Canvas Shoes, Rubber Boots, Jikatabi, Fishing Boots	
Type of Investment	1. Sole Proprietorship 2. JV 3. Technical Tie-up	
The Period Expected to Invest	Under Consideration	

Name of Company	ASAHI CORPORATION	
Address	1-10-1, Kyobashi, Chuo-Ku, Tokyo 104, JAPAN	
Tel. (TELEX, FAX)	0942 (37) 1008	
Name of President	Tokujiro ISHIBASHI	
Name of Person in Charge	Mitsusachi TANAKA	
Year of Establishment	1932	
Capital	¥ 870 million	
Number of Employee	3, 000	
Main Product	Rubber Footwear, Leather Shoes, Sports Goods	
Type of Investment	1. Sole Proprietorship 2. JV 3. Technical Tie-up	
The Period Expected to Invest	Under Consideration	

Name of Company	HIROSHIMA KASEI, LTD.	
Address	2-2-11, Matsuhama-Cho, Fukuyama-City, Hiroshima 720, JAPAN	
Tel. (TELEX, FAX)	0849 (22) 7226	
Name of President	Haruo MIYACHI	
Name of Person in Charge	Hironori MATSUURA	
Year of Establishment	1947	
Capital	¥ 200 million	
Number of Employee	560	
Main Product	Industrial Rubber Products, Rubber Footwear, Chemical Products	
Type of Investment	1. Sole Proprietorship 2. JV 3. Technical Tie-up	
The Period Expected to Invest	Under Consideration	

II-3 Questionnaire Sheet for the Survey in Japan

QUESTIONNAIRE TO THE ENTERPRISE THAT IS INTERESTED IN OVERSEAS INVESTMENTS

You are requested to make entries in articles below or to enclose proper numbers with circles about the epitome of your respective enterprise.
(Management indices are expected to go with the financial statement base of 1987)

Name of Enterprise	
Location	
Establishment year	
Kind of Corporation	1. Japanese Enterprise 2. 100% Foreign Affiliate 3. Over 50% Foreign Affiliate
Capital	(Paid-up Capital)
Gross Sales	(Yearly Turnover)
Ratio of Overseas Production	% (Amount of Overseas Production/Gross Sales x100)
Total Number of Employees	Persons
Main Products, Treated Items	
Name of the Department/ Division which is in charge of the Questionnaire Entry	
Official Position & Full Name of the Person who makes an Entry.	Official Position _____ Full Name _____

I. Concerning the Overseas Production

(1) Presently do you have production base(s) abroad?

You are requested to write down the number of production base(s) and main production item(s) by country and by form.

	Number of Production Base(s)				Main Production Item(s)
	Self-Investment 100%	Joint	Others	Total	
Malaysia					
Thailand					
Singapore					
Korea					
others *					

* Please write down the name(s) of country/countries

(2) How do you evaluate Malaysia if you choose her as the production base in future?

You are requested to answer about your general evaluation. (Please put the mark with an circle to the suitable number by supposed item.)

Supposed Production Item	Impossible for a while	Around 4-5 Years Later There is Possibility	Within 2-3 Years There is Possibility as the Proposed	Possible to Investigate or Under Investigation as one of the Proposed	There is a Concrete Plan

- (3) When you answer that you are under investigation or you have a concrete plan in the above question, please answer the following questions as long as they suit your convenience.

Advance Form : _____

Time of Production Commencement : Year _____ month _____

- (4) Presently do you have a plan of construction advance besides in Malaysia?
Please answer it as long as it suits your convenience.

Name of the Country : _____ ;
Planned Production Item(s) : _____

II. Concerning the Technical Tie-up

(1) Presently are you carrying out the technical tie-up abroad?

Name of the Country	Contents of the Technical Tie-up (including loyalty)	Duration (unit: year(s))
Malaysia		
Thailand		
Singapore		
Hong Kong		
Taiwan		
Korea		
Others *		

* Please write down the name(s) of country/countries.

(2) How do you evaluate Malaysia as the country with which the technical tie-up will be done? (After entering the contents of the supposed technical tie-up, you are requested to put the mark with a circle to the suitable number for the evaluation.)

Contents of the Supposed Technical Tie-up	Impossible for a while	Around 4-5 Years Later There is Possibility	Within 2-3 Years There is Possibility as the Proposed	Possible to Investigate or Under Investigation as one of the Proposed	There is a Concrete Plan

- (3) Presently do you have a plan of technical tie-up besides with Malaysia?
Please answer it as long as it suits your convenience.

Name of the Country	Contents of the Technical Tie-up

III. Concerning the Licenced Production

(1) Presently are you carrying out the licenced production abroad?

Name of the Country	Contents of the Licenced Production (Brand Name)	Production Volume (Unit : million pairs)
Malaysia		
Thailand		
Singapore		
Hong Kong		
Taiwan		
Korea		
Others *		

* Please write down the name(s) of country/countries.

(2) How do you evaluate Malaysia as the country with which the licenced Production will be done?
(If Planning the supposed licenced production, you are requested to put the mark with a circle to the suitable number for the evaluation.)

Contents of the Supposed Technical Tie-up	Impossible for a while	Around 4-5 Years Later There is Possibility	Within 2-3 Years There is Possibility as the Proposed	Possible to Investigate or Under Investigation as one of the Proposed	There is a Concrete Plan

- (8) Presently do you have a plan of licenced production besides with Malaysia?
Please answer it as long as it suits your convenience.

Name of the Country	Contents of the Licenced Production

Thank you very much for your cooperation.

II-4 List of Malaysian Companies Expects for Tie-ups

II-4 List of Malaysian Companies Expecting Tie-ups

Company Name	Address	Telephone	Name of Representative	Established	No. of Employees	Capitalization (M\$)	Main Products	Capital Tie-up	Technical Tie-up	Licensed Production
[RUBBER FOOTWEAR]										
Cougar Industries (M) Sdn. Bhd.	167, Jalan Batu 27, Off Jln 3 Lama, 41300 Klang Selangor	03-3424382	Long Hin San	1983	52	269,002	Jogging and Court Shoes	○	○	○
International Footwear (Penang) Sdn. Bhd.	178A, Beach Street, 11600 Penang	04-25818	Loke Yew Fai	1970	300	3,000,000	Canvas Rubber Shoes	○		
International Footwear Perdana (Kedah) Sdn. Bhd.	96-G, Mergong Industrial Estate, Seberang Jalan Putra Alor Setar, Kedah	04-738633	YB Dato' Abu Bakar Bin Taib	1974	444	1,560,002	Footwear(textile and rubber soles)	○	○	
Kosam Shoes Industry	4th Floor, Block B Locked Bag No. 89, Wisma Kosan Likas, Likas 88998, Kota Kinabalu, Sabah.	088-34805	Ghulam Jelani	1980	511	14,750	Canvas Shoes	○	○	
Marco Shoe Sdn. Bhd.	Pandamaran Industrial Site 42008 Port Klang, Selangor	03-3687451	L.C. Coutts	1976	1,100	6,000,000	Footwear	○	○	○
Ozly Sdn. Bhd.	22nd M.S. Kulai Air Hitam Road, 81000 Kulai Johor	07-833902	William Cheng	1983	565	16,154,915	Rubber Canvas Shoes	○	○	○
Viking Askim Sdn. Bhd.	Prai Free Trade Zone 12700 Butterworth, Province Wellesley	04-349555	Noor Shaari Iskandar	1974	800	8,000,000	Rubber Boots	○	○	○
New Engineering Sdn. Bhd. (Soles)	123, Jalan Genting Kelang, Setapak, 53300 Kuala Lumpur	03-4298117	Chan Kwng	1978	40	1,000,000	Shoe Soles & Shoes	○		
Tong Fatt Shoes Mfrs. Sdn. Bhd. (Soles and Slippers)	421 Batu 4, Jalan Kluang 83007 Batu Pahat, Johor	07-441883	Chang Yit Woong	1972	200	500,000	Slippers, Sandals, Thong, Rubber Sole	○		

JICA