

## Exporter's Guide - Malaysia

1. Identify the product you would like to export by its HS code.
  - The US Census Bureau has a very helpful online tool that can help first time exporters with identifying their correct HS Code.
  - To search the US Census Bureau's Schedule B records follow the below link:  
[www.census.gov/foreign-trade/schedules/b/#search](http://www.census.gov/foreign-trade/schedules/b/#search)
2. Discover which markets are the biggest importers of your product.
  - The US Department of Commerce's International Trade Administration publishes a variety of data series and reports for government and free personal use. Click on the following link to find trade statistics:
    - [http://www.trade.gov/mas/ian/tradestatistics/index.asp#P11\\_403](http://www.trade.gov/mas/ian/tradestatistics/index.asp#P11_403)
  - Detailed trade reports can be obtained by contacting Trade Information Specialist Billie Cary at [bhcary@mitc.com](mailto:bhcary@mitc.com).
  - Let's assume your product is photosensitive semiconductor devices (LED). According to data sources, Malaysia is the number #4 importer of US semiconductors. Therefore we should consider entering the Malaysian semiconductor market.
  - In addition to Malaysia and other large importers (such as Mexico, and Thailand), it would also be wise to note which countries have had significant statistical growth. For example, the Philippines had a 56% growth in imports between 2015 and 2016, and Taiwan had a 44% increase between the same time.
3. Study the target market to learn about its demographics, opportunities, and regulations.
  - Demographic information about Malaysia can be obtained from: the [CIA Factbook](#) or [Department of Statistics Malaysia](#) . Data to look for would be GDP by geography and income per capita as they would be indicators of a buying power in a region.
  - Business opportunities in Malaysia can also be found through the [US Department of Commerce](#) via its website (select Malaysia as your target market).
  - Business opportunities with Malaysian companies can also be found through a searchable [database](#) of Malaysian importers [hosted by the [SME Corp Malaysia](#) ]
  - Further legal and regulatory information on doing business in Malaysia can be found at the following:
    - [Ministry of Foreign Affairs](#)
    - [Inland Revenue Board of Malaysia](#)
    - [Royal Malaysian Customs Department](#)
    - [Department of Standards](#)
    - [Food Safety and Quality Division](#)
    - [Ministry of International Trade and Industry](#)

4. Conduct an internet search for Malaysian industry associations that can provide general in-country guidance and lists of companies active in the Malaysian semiconductor market. If your product were gliders, for example, the following associations might offer leads:
  - [The Electrical and Electronics Association of Malaysia](#)
  - [Malaysian Investment Development Authority: Electrical and Electronic](#)
5. Search for partners or buyers.
  - Use the industry associations you found earlier to discover potential contacts. Compile a “rough list” or companies that could act as foreign partner or buyer. (Refine your search to eliminate companies whose titles indicate a service rather than manufacturing orientation, e.g. “Bank of...,” “Logistics,” or “Consulting.”)
  - Determine whether the association hosts a trade show and lists the names of exhibitors on their website. Trade show exhibitor lists posted on trade show websites are excellent tools to use when seeking a foreign sales partner.
6. Investigate possible partners or buyers
  - After compiling your rough list of companies, do your homework. A simple internet search should reveal information on a particular company’s products and services.
  - Consider what characteristics you would like to have in a partner. Would you prefer an independent agent that arranges sales or a distributor that takes position of your product and then sells it through their own channels? Would you prefer to work with a large company or smaller one? Is there a particular “style of selling” that works best with your product? Would you consider private labeling your product?
    - The key question to ask yourself is whether a found company’s products will be complementary or competitive against yours.
  - Once you have your list narrowed to a limited set of candidates, consider using the services of a credit reporting firms to learn further details about a foreign company’s operations. A credit reporting firm such as [Dun & Bradstreet](#) or [Coface](#) can supply copious information about foreign company’s credit history, and alert you to who may have serious financial issues.
7. Check with the US Government’s [Bureau of Industry and Security](#) to ensure your sales activities with possible partners are legal. Exporting is a privilege not a right. Even though Malaysia is a close trading partner of the United States, your transaction may still be considered illegal due to several reasons. The US Government has several lists to check before you proceed with a sale such as:
  - Denied Persons List
  - Unverified List
  - Entity List



- Specially Designated Nationals List
- Debarred List
- Nonproliferation Sanctions List

We recommend that you telephone the Bureau to discuss your transactions. Failure to comply may result in fines and/or imprisonment.

8. Identify barriers to getting your product in a foreign market.
  - The office of the [US Trade Representative](#) is an excellent location to learn about trade agreements between the US and other countries.
  - U.S. goods and services trade with Malaysia totaled \$42 billion in 2012 (latest data available). Exports totaled \$15 billion; Imports totaled \$27 billion. The U.S. goods and services trade deficit with Malaysia was \$12 billion in 2012.
  - Currently, no Free Trade Agreement exists between the United States and Malaysia.
  - The Malaysian Customs agency offers an [online schedule of tariffs](#) by HS code for imported products.
9. Find out whether your product can be competitive on price. Be sure to evaluate costs involved with marketing, travel, packaging, shipping, commissions, taxes (VAT) and tariffs. The Maine International Trade Center Information Specialist can help you compile these costs: [bhcary@mitc.com](mailto:bhcary@mitc.com).
10. Once you have decided to enter into a trade relationship, be sure to be aware of all your local resources available to exporters, such as:
  - [The Maine International Trade Center](#)
  - [Maine Department of Economic and Community Development](#)
  - [Small Business Administration](#) (US Government)
11. Have patience and make every effort to do things correctly the first time. Select an international banker, freight forwarder, attorney, or country specialist to assist you (we can provide lists of these local contacts, please email [bhcary@mitc.com](mailto:bhcary@mitc.com)). Always ask questions!

**Good luck!**