

**E-COMMERCE AND SMEs IN MALAYSIA:  
CHALLENGES AND FUTURE PROSPECTS**

**BY**

**RUSLAN HALIM ISLAHUDIN  
(EGA 99046)**

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**Dedicated to my beloved wife Azillia,  
and my sons Muhammad Arif and Muhammad Afiq.**

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## **ABSTRACT**

Electronic Commerce is poised to radically transform the way business is conducted in the future. The advancement of the Information Age has been accelerated by the invention of the Internet, which in turn is turning the whole world into a global village. Globalization will only benefit nations that is well versed in the new rules of the game of the Information Economy.

It is imperative for a country like Malaysia to close the digital skill gap by improving the capacity of their workforces to play an active role in the Internet age. Malaysia needs to quickly close the Electronic Commerce gap by effectively building a domestic Internet economy and promoting online transactional capabilities for the consumer, business, and government sectors - i.e. B2C, B2B, C2C, G2C, and G2B.

SMEs belong to a special business group that stands to benefit the most from opportunities offered by Electronic Commerce, as their businesses are more flexible and thus easier to take advantage of new methods to compete with larger firms. This research aims to assess the readiness of SMEs in adopting Electronic Commerce in Malaysia and to identify the barriers that needs to be overcome.

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