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**Challenges Facing By Malaysian SMEs
In An Increasingly
Liberalised And Globalised Economy**

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Kuala Lumpur, Malaysia
2002**

**Submitted to the Faculty of Business and
Accountancy, University of Malaya, in partial
fulfilment of the requirements for the Degree of
Master of Business Administration**

October 2002

Perpustakaan Universiti Malaya



A511760231

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ACKNOWLEDGMENTS

I am greatly indebted to Associate Professor Dr. Tan Lee Peng, my research supervisor, for her invaluable guidance and advice throughout the preparation of this research project.

My thanks are also due to Mr. Lim Yau Seong, Vice President, OCBC Bank (Malaysia) Berhad, my former department head, for encouraging my MBA study.

My sincere appreciation and gratitude also goes to many colleagues, my girl friend Yoke Suan and family members; without them the research project would not be possible.

Last but not least, I am grateful to the respondents in this study, who made this research possible.

ABSTRACT

In the 80s, the government began to pay more attention to the SMEs and recognised the importance of SMEs in the development of economic and earning the foreign currency through export. In view of the strong relationship between SMEs and economic growth, we need to study the challenges of SME development in facing the increasingly liberalisation and globalisation business environment.

The research studies the statuses of SMEs in marketing, problems, government assistance, level of computerization and automation, sources of financing, staff development and their views on advisory services. Analysis on new challenges in a globalised economy and recommendations to further strengthen the present SME framework were also done in this research.

The study concludes that the internationalisation level of Malaysian SMEs is low, the role of the government is not significant, the level of computerisation, automation & staff training are low and the government-assisted schemes are not effective.

As the survey has pointed out, the response from SMEs regarding the use of government advisory services and assistance schemes is poor, many SMEs are hardly aware where to look for assistance. This fact indicates the poor SME support system and the need for the government agencies to take more proactive approach. In view of this, a comprehensive integrated programme comprising selected combination of financial, marketing, industrial advisory services and other developmental aids is urgently needed.

These results have important implication on the formulation of SME policy by the government, commercial banks, trade and industry associations to assist SMEs which usually do not have sufficient resources, to go beyond domestic market and take on the challenges and opportunities arising from trade liberalisation and globalisation.