

'Synergy of three parties crucial for the SMEs'

KOTA KINABALU: The Government, entrepreneurs and universities/research institutions play an important role in the development of small and medium-sized enterprises (SMEs).

Universiti Malaysia Sabah (UMS) Deputy Vice-Chancellor (Research and Innovation), Prof. Datuk Dr Kamaruzaman Ampon, said function-wise, the Government can be termed as policy-makers, entrepreneurs as players in creating opportunities leading to wealth creation while universities act as knowledge references.

He said this during the Seminar on the *Future Directions of Small and Medium-Sized Enterprises (SMEs)*, organised by the Centre for Entrepreneurship Research and Development of UMS, here on July 8.

Kamaruzaman said to promote economic prosperity, the three said parties have to draw upon their individual and collective strengths to create synergies through closer concerted efforts, which may be termed "GEU" (Government, Entrepreneurs, University).

"A university plays the role of assisting knowledge acquisition, facilitating networks and workshops for SME owners to provide self-help solutions chaired by academics, facilitating business schemes through vetting of costs and acting as "match-makers" and helping analyse data and markets, creating customers and devising strategies," he said.

The Government, meanwhile, faces the challenges of strengthening intellectual property laws to protect SMEs, promoting the culture of friendliness and natural law-abiding, reducing red-tape in dealing with SMEs and making infrastructure available for SME development such as access to clean water, road and electricity.

SMEs, as players and wealth creators, may have to contribute by strengthening their abilities and skills of innovative competency, mobilising universities/research institutes as partners for SME growth, using information and communication technology skillfully and inculcating research culture.

Kamaruzaman also said SMEs are regarded as the new engines for economic growth.

"In the United States, for example, SMEs comprise almost 99 per cent of all established enterprises, in the European Union more than 95 per cent, while Malaysia about 80 per cent," he said, adding that the percentage in Malaysia is expected to rise in the next decade.

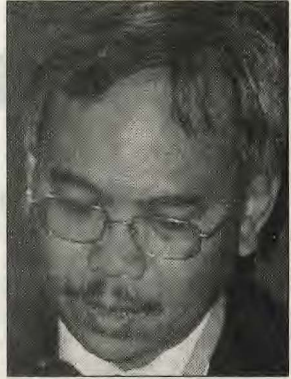
"Employment, innovation, entrepreneurship and wealth creation are some of the impacts generated by SME development and this seminar is trying to explore ways to enhance the roles and functions of SMEs in generating economic growth while also seeking solutions to curb problems relating to SME development," he said.

He also stressed that the success and paramount roles of SMEs in economic activities should not be at the expense and wellbeing of humankind, resources and the environment.

"Therefore, economic prosperity is conceptualised into two aspects, namely prosperity in standards of living and prosperity in wealth creation. "Ultimately, the directions of SME strategic planning is heading towards healthy living in a healthy environment.

"I believe it is a strong philosophy to underpin the short and long term of SME strategic development planning, particularly in Sabah where the incidence of poverty is a course of concern," Kamaruzaman said.

At the same time, UMS will also implement some innovative arrangements by organising more seminars, workshops, exhibitions and competition that streamline and add value to SME development, he added.



**Prof. Kamaruzaman...
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