

Awareness of the Matrade Export Assistance Programs on Malaysian SMEs

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Abstract

The empirical research presented in this report focuses on the MATRADE export assistance programs for small and medium-sized enterprises (SMEs) in the Malaysian manufacturing sector. More specifically, the study attempted to investigate the effectiveness of the exporting assistance programs offered by MATRADE. The data for the study was collected through the mail questionnaires and face to face interviewed to the selected SMEs. Of the total number 300 questionnaires mailed, 56 firms responded and 20 questionnaires was completed through face to face interview. Data from the questionnaires were coded and entered accordingly into the SPSS statistical software. The descriptive statistics such as mean, standard deviation and frequency distribution were utilized to analyze the data collected from the participating SMEs. The empirical information resulted from analyzing the data obtained from the 76 SMEs suggests the following findings such as most of the firms stated that they are lack of awareness of the exporting programs offered by MALTRADE, the SMEs perceived the export assistance programs as important; the usage of the export assistance programs varied among the SMEs and the SMEs received various benefits from the assistance programs.

Keywords: MALTRADE, Malaysian manufacturing sector, export assistance programs and small medium enterprises

1.0 Introduction

In Malaysia, the concerned over the future survival of small and medium-sized enterprises (SMEs) in the context of the global competition has been voiced by many. More and more academics, politicians, bureaucrats, and owners as well as managers of small businesses have expressed their apprehension. Even though some are cautiously optimistic about the possible opportunities, others are quite pessimistic concerning the challenges and threats of the global business system. As far as the Malaysian small and medium-sized enterprises (SMEs) are concerned, they face new challenges, opportunities as well as threats, particularly in view of the liberalization of trade and investment under the ASEAN Free Trade Area (AFTA), the ASEAN Investment Area (AIA), the European Union (EU) and the emerging market economies of Eastern Europe, India and China.

Exporting activities provides small and medium-sized enterprises (SMEs) with one of the ways of expanding their businesses internationally. For a small or medium business, developing export markets can be both a growth opportunity and a major challenge. Moreover, in view of stronger competition, maturing markets as well as limited domestic market opportunities, SMEs need to give strong consideration to expanding their exporting activities. However, in Malaysia, the small and medium-sized enterprises (SMEs) appear to be lagging in their exporting activities. At the present moment, although SMEs made up of more than 90 percent of the total manufacturing firms in Malaysian manufacturing sector, they managed to export about 20.8 percent of their total output in the sector. This amount contributed to only about 10.8 percent of the country's total exports of manufactured products. These figures suggest that majority of the SMEs in Malaysia depend on selling in the domestic market, and that they are not exploiting the opportunities available in foreign markets.

In an effort to assist the SMEs in their exporting activities, the Malaysian government has introduced various exporting assistance programs. Over the years, the Malaysian government has introduced these export assistance programs to support and encourage more SMEs to export as well as to enable them to increase their share of the country's total exports. As far as Malaysia is concerned, several government agencies are involved in helping SMEs to expand their exporting activities. Among these agencies are; the Malaysia External Trade Development Corporation (MATRADE), the Small and Medium Industries Development Industries (SMIDEC), the Malaysian Export Credit Insurance Berhad (MECIB), the Malaysian Industrial Development Authority (MIDA), and the Export-Import Bank of Malaysia Berhad (EXIM Bank) provide various export assistance programs to SMEs. MATRADE was established since March 1, 1993 as the external trade promotion arm of Malaysia's Ministry of International Trade and Industry (MITI). MATRADE functions as a focal point for Malaysian exporters and foreign importers to source for trade related information. By providing market research information and relevant advice, MATRADE assists Malaysian exporters to better position their products and services in the highly competitive global markets.

2.0 Literature Review

Currently, SMEs in Malaysia are not clearly defined, except in the manufacturing and banking sectors. Two common parameters used to define SMEs in the manufacturing sector are sales turnover and number of employees. Of the various definitions of SMEs found in Malaysia, the more widely accepted definition is the one used by the Ministry of International Trade and Industry (MITI). MITI, which is responsible for industrial development in Malaysia, defined an SME thus (New Strait Times, January 19, 1998):

- a. A small-sized firm as "a firm with less than 50 full-time employees, and with an annual turnover of not more than RM10 million".
- b. A medium-sized firm as "a firm with between 51 and 150 employees, and with an annual turnover of between RM10 million and RM25 million".

According to the Small and Medium Industries Development Corporation (SMIDEC) SMEs are defined as manufacturing companies or companies providing manufacturing related services with annual sales turnover not exceeding RM25 million and full-time employees not more than 150 (SMIDEC, 2003). Ogram (2008) classified exporting firms as those that have exported over the last three years and that their exporting sales represent at least one percent of their gross annual sales. Exporting is considered the most common mode of entry into international business among SMEs. Although exporting appears to be attractive to SMEs, previous empirical studies have indicated that exporting firms faced various obstacles. An earlier study by Alexandrides (2011) found that smaller firms faced difficulties in initiating exporting. Alexandrides concluded that high intensity of competition in foreign markets, little knowledge of exporting activities, insufficient understanding of export payment procedures, and difficulties in identifying foreign market opportunities as the major reasons why firms fail to initiate exporting.

Similarly, Bilkey (2009) discovered some of the most formidable barriers to successful small business exporting. These were: (1) high risk; (2) insufficient financing; (3) protective foreign government regulations; (4) inadequate distribution channels; (5) insufficient knowledge of marketing opportunities abroad; (6) difficulties in understanding foreign business practices; (7) difficulties in conforming to foreign product standards and specification; (8) difficulties in collecting payments from foreign customers; (9) inadequate representation in foreign markets; and (9) lack of foreign marketing connections. Both Moini (2009) and Kedia and Chokar (2009) found low levels of awareness of export assistance programs, implying that assistance providers are not doing an adequate job of promoting their programs. Usage of export assistance programs was very high for firms that were aware of the services. Kotabe and Czinkota (2009) found that assistance providers were not targeting their resources consistent with the export assistance needs of firms and Howard and Herremans (2012) found that successful exporters did not find government assistance providers to be particularly helpful.

According to Baucerchmidt & Gellespie (2010), greater knowledge of the conditions under which program use is effective. This also can be benefit government policy makers those seeking to improve export promotions. Management's use of government export assistance can contribute to successful export development strategy. Export encouragement strategies should be designed and carried out with clear target audiences in mind. Targeted firms should be informing how export operations can contribute to their profits and growth.

3.0 Research Objective

To determine the effectiveness of the export assistance programs, this study focused on the following:

1. The level of awareness of the MATRADE export assistance programs among the SMEs;
2. The importance of the MATRADE export programs to the SMEs;
3. The level of usage of the MATRADE exporting programs among the SMEs; and
4. The benefits received by the SMEs from using the exporting programs offered by MATRADE.

4.0 Methodology

This study is confined to selected small and medium-sized enterprises (SMEs) in the Malaysian manufacturing sector. In this study, a small and medium-sized enterprise (SME) is defined as a manufacturing firm with an annual turnover of less than RM25 million and as one which is actively managed by its owner/s. Based on this definition, 300 SMEs were identified from the 2012 Federation of Malaysian Manufacturers (FFM) Directory of Malaysian Manufacturers.

The data for this study was collected by mail survey and face to face interview. Through the telephone conversations and a follow-up letter the participation of the firms was requested and confirmed. Structured questionnaires were then mailed to the top management of the 300 firms selected. Out of the total number of 300 questionnaires sent, 56 usable questionnaires were received and 20 questionnaires were completed by face to face interviewed, yielding a response rate of 25.3 percent. Data from the questionnaire were coded and entered accordingly into the SPSS statistical software. The descriptive statistics such as mean, standard deviation and frequency distribution were utilized to analyze the data collected from the participating SMEs. The study used simple random sampling. However, for this research purpose, by using the SPSS, descriptive statistic would only show the frequency and percentage of the general background of respondents (e.g. the age, race, monthly income, education background, etc). The validity of the questionnaires was done by using face content validity through an expert opinion and pilot test was conducted. Cronbach alpha were used to test the reliability of the study and pilot test was done before the actual questionnaires being distributed to the respondents.

5.0 Findings

Table 4.1: Characteristics of Respondents

		N	Percentage
Position:	Owner and CEO	12	15.8
	Owner and Manager	11	14.4
	Manager but Not Owner	32	42.1
	Owner but Not Manager	4	5.3
	Others	17	22.4
	Total	76	100.0
Race:	Malay	50	65.8
	Chinese	16	21.1
	Indian	6	7.9
	Others	4	5.3
	Total	76	100.0
Gender:	Male	35	46.1
	Female	41	53.9
	Total	76	100.0
Marital Status:	Married	33	43.4
	Remarried	2	2.6
	Never Married	41	53.9
	Total	76	100.0
Years of Experience:	1-3 years	44	57.9
	4-6 years	18	23.7
	7-9 years	5	6.6
	10-12 years	3	3.9
	13 and Above	5	6.6
	No Experience	1	1.3
	Total	76	100.0
Number of Businesses Owned:	Never own any	42	55.3
	1	19	25.0
	2	6	7.9
	3	4	5.3
	More than 5	5	6.6
	Total	76	100.0
Level of Education:	School Certification	4	5.3
	Diploma	1	1.3
	Bachelor Degree	64	84.2
	Master Degree	4	5.3
	PhD Degree	3	3.9
	Total	76	100.0

Table 4.1 summarizes the characteristics of the respondents in this study. The respondents consisted of manager but not owner (42.1%), export executive (22.4%), owner and CEO (15.8%), owner and manager (14.5%) and owner but not manager (5.3%). Malays constituted majority of the respondents (65.8%), followed by Chinese (21.1%), Indians (7.9%), and others races (5.3%). Forty-one respondents were female and 35 male. Of the 76 respondents, 41 were single, 33 were married and two remarried. Majority (57.9 %) of the respondents had one to three years work experience, another 18 (23.7%) had between four to six years, five respondents had between seven to nine years and the remaining three respondents had between 10 to 12 years of working experience.

Forty-two respondents never owned any business, 19 respondents had one business, six had two businesses, four had three businesses, and five had more than five businesses. In term of level of education, 64 respondents obtained bachelor degrees, four respondents each had school certifications and master's degrees, three respondents had PhD degrees and one respondent had a diploma.

The characteristics of the 76 SMEs that participated in this study are summarized in the following Table 4.2.

Table 4.2: Characteristics of the Sample Firms

		N	Percentage
Legal Form in Business:	Sole proprietor	19	25.0
	Partnership	13	17.1
	Private Limited	44	57.9
	Total	76	100.0
No. of Employees:	1-30 employees	22	28.9
	31-100 employees	15	19.7
	101-200 employees	9	11.8
	201-300 employees	12	15.8
	More than 300 employees	18	23.7
Total	76	100.0	
Firm Established:	Originally private, from time of start up	41	53.9
	Joint venture, domestic and foreign private owners	19	25.0
	Privatization of a state-owned firm	7	9.2
	Private subsidiary of a foreign-owned firm	3	3.9
	Private subsidiary of a formerly state-owned firm	1	1.3
	Others	5	6.6
Total	76	100.0	
Government Agency/ State Body Have A Financial Stake:	Yes	28	36.8
	No	48	63.2
	Total	76	100.0
Percentage of Total Ownership:	Less than 10%	6	7.9
	11-20%	10	13.1
	21-30%	6	7.9
	More than 40%	6	7.9
	Not Relevant	48	63.2
Total	76	100.0	
Foreign Company/ Individual Have A Financial Stake:	Yes	30	39.5
	No	46	60.5
Total	76	100.0	
Percentage of Total Ownership:	Less than 10%	15	19.7
	11-20%	7	9.2
	21-30%	5	6.6
	More than 40%	6	7.9
	Not Relevant	43	56.6
Total	76	100.0	

Table 4.2: Continued

Total Sales of Business (2002):	Less than RM500,000	15	19.7
	RM500,001-RM5,000,000	23	30.3
	RM5,000,001-RM10,000,000	13	17.1
	RM10,000,001-RM15,000,000	4	5.3
	RM15,000,001-RM20,000,000	2	2.6
	More than RM20,000,000	19	25.0
	Total	76	100.0
Net Profit (before tax) (2002):	Less than RM10,000	9	11.8
	RM10,001-RM100,000	19	25.0
	RM100,001-RM200,000	4	5.3
	RM200,001-RM300,000	8	10.5
	RM300,001-RM400,000	7	9.2
	RM400,001-RM500,000	7	9.2
	More than RM500,000	22	29.0
	Total	76	100.0
Operation in Other Countries:	Yes	32	42.1
	No	44	57.9
	Total	76	100.0
Exporting Activity:	Yes	33	43.4
	No	43	56.6
	Total	76	100.0
Percentage of Total Sales in Export (2002):	1-10%	7	9.2
	11-20%	6	7.9
	21-30%	10	13.2
	31-40%	2	2.6
	More than 40%	9	11.8
	Not Relevant	42	55.3
	Total	76	100.0

As shown in the above Table 4.2, 44 of the 76 sample firms were private limited companies, 19 were sole proprietors, and 13 were partnerships. Fifty-eight companies had between one to 300 employees and 18 companies had more than 300 employees. Forty-one were start up companies, 19 companies were joint ventures between domestic and foreign private investors, seven were privatized government companies, five were subsidiary of private companies, and one company was a subsidiary of a formerly government-owned firm.

The respondents indicated that they owned from less than 10% to more 40% of the ownership of their firms. Of the 76 companies, 15 firms had total sales of less than RM500,000.00, 23 firms had sales between RM500,001 to RM5 million, 13 firms had total sales of between RM 5 million to RM10 million, four firms had between RM10 million to RM 15 million, two firms between RM 15 million to RM 20 million, and 19 firms had more than RM20 million in total sales for the year 2002. Nineteen firms (25%) had net profit of between RM10,001 to RM100,000, nine firms (11.8%) had net profit of less than RM10,000, eight firms (10.5%) had net profit of between RM200,001 to RM300,000, seven firms each (9.2%) had net profit of between RM300,001 to RM400,000 and RM400,001 to RM500,000. The remaining four firms (5.3%) had net profit of between RM100,001 to RM200,000.

Of the 76 firms, 44 firms did not have any operation in other countries. Thirty-two firms indicated that they had operations in other countries. Thirty-three firms reported that they were presently involved in exporting. Of these 33 firms, 10 firms (13.2%) had their percentage of total sales in export (2002) of between 21 to 30%, nine firms (11.8%) with more than 40%, seven firms (9.2%) had 1 to 10%, six firms (7.9%) had between 11 to 20% and two firms (2.6%) had between 31 to 40%.

5.1 Awareness of the MATRADE Programs

Table 4.3 below presents the percentages of the responses to the questions on the awareness of the 28 MATRADE export assistance programs as recorded from the 76 respondents in the study.

Table 4.3: Awareness of the MATRADE Programs

Program	Not Aware All	At Slightly Aware	Not Sure	Aware and Not Used	Aware and Used
	N (%)	N (%)	N (%)	N (%)	N (%)
Double Deduction for Promotion of Exports	15 (19.7%)	8 (10.5%)	23 (30.3%)	14 (18.4%)	16 (21.1%)
Double Deduction for Promotion of Export of Services	16 (21.1%)	8 (10.5%)	22 (28.9%)	19 (25.0%)	11 (14.5%)
Double Deduction for Promotion of Malaysian Brands	12 (15.8%)	5 (6.6%)	26 (34.2%)	21 (27.6%)	12 (15.8%)
Tax Exemption on the Value of Increased Exports	16 (21.1%)	5 (6.6%)	19 (25.0%)	24 (31.6%)	12 (15.8%)
Tax Exemption for Malaysian International Trading Company (MITC)	13 (17.1%)	8 (10.5%)	19 (25.0%)	25 (32.9%)	11 (14.5%)
Double Deduction of Export Credit Insurance Premiums	17 (22.4%)	7 (9.2%)	26 (34.2%)	15 (19.7%)	11 (14.5%)
Single Deduction for Quality Certification	15 (19.7%)	8 (10.5%)	24 (31.6%)	14 (18.4%)	15 (19.7%)
Single Deduction for Registration of Patents	15 (19.7%)	8 (10.5%)	22 (28.9%)	16 (21.1%)	15 (19.7%)
Single Deduction for Hotel Accommodation	15 (19.7%)	8 (10.5%)	22 (28.9%)	19 (25.0%)	12 (15.8%)
Industrial Building Allowance (IBA)	16 (21.1%)	8 (10.5%)	18 (23.7%)	20 (26.3%)	12 (15.8%)
Tax Exemption for Tour Operators, Conventional Fair Organizers	14 (18.4%)	7 (9.2%)	24 (31.6%)	23 (30.3%)	8 (10.5%)
Deduction on Cost of Developing Websites	12 (15.8%)	5 (6.6%)	28 (36.8%)	18 (23.7%)	13 (17.1%)
Tax Incentives for Offshore Trading Via Websites	13 (17.1%)	8 (10.5%)	28 (36.8%)	21 (27.6%)	6 (7.9%)
Incentives to Acquire a Foreign Company	15 (19.7%)	8 (10.5%)	26 (34.2%)	17 (22.4%)	10 (13.2%)
Special Incentives to Increase Export	13 (17.1%)	7 (9.2%)	23 (30.3%)	20 (26.3%)	13 (17.1%)
Duties and Sales Tax Exemption	12 (15.8%)	8 (10.5%)	17 (22.4%)	20 (26.3%)	19 (25.0%)
Export Financing Facilities	12 (15.8%)	9 (11.8%)	22 (28.9%)	17 (22.4%)	16 (21.1%)
Market Development Grant (MDG)	12 (15.8%)	11 (14.5%)	22 (28.9%)	17 (22.4%)	13 (17.1%)
Bilateral Payment Arrangement (BPA)	17 (22.4%)	7 (9.2%)	22 (28.9%)	20 (26.3%)	10 (13.2%)
Commercialization of RND Fund (CRDF)	19 (25.0%)	4 (5.3%)	27 (35.5%)	18 (23.7%)	8 (10.5%)
Technology Acquisition Fund (TAF)	18 (23.7%)	6 (7.9%)	22 (28.9%)	20 (26.3%)	10 (13.2%)
Technology Acquisition Fund for Woman (TAP-W)	17 (22.4%)	7 (9.2%)	25 (32.9%)	21 (27.6%)	6 (7.9%)
Export Credit Insurance Scheme	12 (15.8%)	8 (10.5%)	25 (32.9%)	15 (19.7%)	16 (21.1%)
Seminars and Workshops	10 (13.2%)	12 (15.8%)	21 (27.6%)	11 (14.5%)	22 (28.9%)
Malaysia Export Exhibition Center (MEEC)	11 (14.5%)	13 (17.1%)	24 (31.6%)	15 (19.7%)	13 (17.1%)
Malaysian Product Exhibition (MPE)	9 (11.8%)	11 (14.5%)	24 (31.6%)	21 (27.6%)	11 (14.5%)
Made-in-Malaysia In-Store Promotion	10 (13.2%)	8 (10.5%)	24 (31.6%)	17 (22.4%)	17 (22.4%)
International Trade Fairs Overseas	11 (14.5%)	8 (10.5%)	22 (28.9%)	21 (27.6%)	14 (18.4%)

The mean scores of the awareness of the 28 assistance programs provided by MATRADE are summarized in Table 4.4. The mean scores for the 28 programs vary from 2.47 to 4.16. These results in general indicate that the respondents were only slightly aware of the 28 export assistance programs provided by MATRADE.

Table 4.4: Mean and Standard Deviation Scores of Awareness of the MATRADE Programs

Program	Mean	Standard Deviation
Market Development Grant (MDG)	4.16	1.10
Commercialization of RND Fund (CRDF)	3.11	1.31
Technology Acquisition Fund for Woman (TAP-W)	3.11	1.26
Double Deduction of Export Credit Insurance Premiums	3.05	1.34
Technology Acquisition Fund (TAF)	3.03	1.36
Tax Incentives for Offshore Trading Via Websites	3.01	1.18
Incentives to Acquire a Foreign Company	3.01	1.29
Bilateral Payment Arrangement (BPA)	3.01	1.34
Double Deduction for Promotion of Export of Services	2.99	1.34
Tax Exemption for Tour Operators, Conventional Fair Organizers	2.95	1.25
Single Deduction for Hotel Accommodation	2.93	1.34
Single Deduction for Quality Certification	2.92	1.37
Malaysia Export Exhibition Center (MEEC)	2.92	1.28
Double Deduction for Promotion of Exports	2.89	1.39
Single Deduction for Registration of Patents	2.89	1.38
Tax Exemption on the Value of Increased Exports	2.86	1.36
Tax Exemption for Malaysian International Trading Company (MITC)	2.83	1.30
Special Incentives to Increase Export	2.83	1.31
Malaysian Product Exhibition (MPE)	2.82	1.21
Deduction on Cost of Developing Websites	2.80	1.27
Export Credit Insurance Scheme	2.80	1.33
International Trade Fairs Overseas	2.80	1.29
Double Deduction for Promotion of Malaysian Brands	2.79	1.26
Export Financing Facilities	2.79	1.34
Seminars and Workshops	2.71	1.37
Made-in-Malaysia In-Store Promotion	2.70	1.30
Duties and Sales Tax Exemption	2.66	1.38
Industrial Building Allowance (IBA)	2.47	1.54

5.2. Helpfulness of the MATRADE Export Assistance Programs

The following Table 4.5 shows the percentages of the responses to the questions on the helpfulness of the 28 export assistance programs offered by MATRADE.

Table 4.5: Helpfulness of the MATRADE Programs

Program	Not Helpful At All N (%)	Not so Helpful N (%)	Not Sure N (%)	Helpful N (%)	Very Helpful N (%)
Double Deduction for Promotion of Exports	9 (11.8%)	4 (5.3%)	34 (44.7%)	13 (17.1%)	16 (21.1%)
Double Deduction for Promotion of Export of Services	10 (13.2%)	3 (3.9%)	35 (46.1%)	16 (21.1%)	12 (15.8%)
Double Deduction for Promotion of Malaysian Brands	7 (9.2%)	4 (5.3%)	33 (43.4%)	17 (22.4%)	15 (19.7%)
Tax Exemption on the Value of Increased Exports	6 (7.9%)	3 (3.9%)	35 (46.1%)	22 (28.9%)	10 (13.2%)
Tax Exemption for Malaysian International Trading Company (MITC)	7 (9.2%)	5 (6.6%)	41 (53.9%)	11 (14.5%)	12 (15.8%)
Double Deduction of Export Credit Insurance Premiums	8 (10.5%)	8 (10.5%)	37 (48.7%)	16 (21.1%)	7 (9.2%)
Single Deduction for Quality Certification	10 (13.2%)	5 (6.6%)	35 (46.1%)	18 (23.7%)	8 (10.5%)
Single Deduction for Registration of Patents	8 (10.5%)	6 (7.9%)	33 (43.4%)	23 (30.3%)	6 (7.9%)
Single Deduction for Hotel Accommodation	11 (14.5%)	4 (5.3%)	35 (46.1%)	15 (19.7%)	11 (14.5%)
Industrial Building Allowance (IBA)	10 (13.2%)	2 (2.6%)	39 (51.3%)	17 (22.4%)	8 (10.5%)
Tax Exemption for Tour Operators, Conventional Fair Organizers	8 (10.5%)	4 (5.3%)	36 (47.4%)	19 (25.0%)	9 (11.8%)
Deduction on Cost of Developing Websites	7 (9.2%)	4 (5.3%)	37 (48.7%)	15 (19.7%)	13 (17.1%)
Tax Incentives for Offshore Trading Via Websites	8 (10.5%)	5 (6.6%)	39 (51.3%)	12 (15.8%)	12 (15.8%)
Incentives to Acquire a Foreign Company	12 (15.8%)	3 (3.9%)	35 (46.1%)	13 (17.1%)	13 (17.1%)
Special Incentives to Increase Export	8 (10.5%)	5 (6.6%)	35 (46.1%)	18 (23.6%)	10 (13.2%)
Duties and Sales Tax Exemption	6 (7.9%)	7 (9.2%)	33 (43.4%)	16 (21.1%)	14 (18.4%)
Export Financing Facilities	7 (9.2%)	5 (6.6%)	33 (43.4%)	20 (26.3%)	11 (14.5%)
Market Development Grant (MDG)	6 (7.9%)	5 (6.6%)	36 (47.4%)	18 (23.7%)	11 (14.5%)
Bilateral Payment Arrangement (BPA)	7 (9.2%)	4 (5.3%)	38 (50.0%)	17 (22.4%)	10 (13.2%)
Commercialization of RND Fund (CRDF)	9 (11.8%)	4 (5.3%)	37 (48.7%)	14 (18.4%)	12 (15.8%)
Technology Acquisition Fund (TAF)	6 (7.9%)	3 (3.9%)	36 (47.4%)	16 (21.1%)	15 (19.7%)
Technology Acquisition Fund for Woman (TAP-W)	8 (10.5%)	2 (2.6%)	39 (51.3%)	17 (22.4%)	10 (13.2%)
Export Credit Insurance Scheme	9 (11.8%)	7 (9.2%)	33 (43.4%)	22 (28.9%)	5 (6.6%)
Seminars and Workshops	11 (14.5%)	4 (5.3%)	34 (44.7%)	15 (19.7%)	12 (15.8%)
Malaysia Export Exhibition Center (MEEC)	7 (9.2%)	10 (13.2%)	35 (46.1%)	15 (19.7%)	9 (11.8%)
Malaysian Product Exhibition (MPE)	7 (9.2%)	6 (7.9%)	35 (46.1%)	14 (18.4%)	14 (18.4%)
Made-in-Malaysia In-Store Promotion	9 (11.8%)	7 (9.2%)	33 (43.4%)	15 (19.7%)	12 (15.8%)
International Trade Fairs Overseas	6 (7.9%)	9 (11.8%)	30 (39.5%)	16 (21.1%)	15 (19.7%)

As shown in the Table 4.6, the mean scores of the helpfulness of the 28 export assistance programs offered by MATRADE vary from 2.04 to 4.04. These results indicate the respondents perceived the export assistance programs offered by MATRADE as not so helpful.

Table 4.6: Mean and Standard Deviation Scores of Helpfulness of the MATRADE Programs

Program	Mean	Standard Deviation
Special Incentives to Increase Export	4.04	1.09
Deduction on Cost of Developing Websites	4.00	1.10
Double Deduction of Export Credit Insurance Premiums	2.92	1.06
Export Credit Insurance Scheme	2.91	1.06
Single Deduction for Quality Certification	2.88	1.12
Malaysia Export Exhibition Center (MEEC)	2.88	1.08
Single Deduction for Hotel Accommodation	2.86	1.19
Industrial Building Allowance (IBA)	2.86	1.09
Incentives to Acquire a Foreign Company	2.84	1.23
Single Deduction for Registration of Patents	2.83	1.05
Seminars and Workshops	2.83	1.20
Made-in-Malaysia In-Store Promotion	2.82	1.17
Tax Incentives for Offshore Trading Via Websites	2.80	1.12
Tax Exemption for Malaysian International Trading Company (MITC)	2.79	1.09
Double Deduction for Promotion of Export of Services	2.78	1.17
Bilateral Payment Arrangement (BPA)	2.75	1.06
Technology Acquisition Fund for Woman (TAP-W)	2.75	1.07
Malaysian Product Exhibition (MPE)	2.71	1.14
Double Deduction for Promotion of Exports	2.70	1.21
Export Financing Facilities	2.70	1.10
Market Development Grant (MDG)	2.70	1.06
Duties and Sales Tax Exemption	2.67	1.12
International Trade Fairs Overseas	2.67	1.16
Tax Exemption on the Value of Increased Exports	2.64	1.03
Double Deduction for Promotion of Malaysian Brands	2.62	1.14
Technology Acquisition Fund (TAF)	2.59	1.10
Commercialization of RND Fund (CRDF)	2.05	1.10
Tax Exemption for Tour Operators, Conventional Fair Organizers	2.04	1.09

Table 4.7: Benefits of the MATRADE Programs

MATRADE Programs		Benefits
M1	Double Deduction for Promotion of Exports	Increased export sales
M2	Double Deduction for Promotion of Export of Services	Penetration new foreign market Increased production
M3	Double Deduction for Promotion of Malaysian Brands	Penetration new foreign market Increased production
M4	Tax Exemption on the Value of Increased Exports	Increased production
M5	Tax Exemption for Malaysian International Trading Company (MITC)	Increased net profit
M6	Double Deduction of Export Credit Insurance Premiums	Increased export sales Increased production Increased net profit
M7	Single Deduction for Quality Certification	Increased production
M8	Single Deduction for Registration of Patents	Gained new foreign customers
M9	Single Deduction for Hotel Accommodation	Increased net profit
M10	Industrial Building Allowance (IBA)	Increased net profit
M11	Tax Exemption for Tour Operators, Conventional Fair Organizers	Increased net profit
M12	Deduction on Cost of Developing Websites	Gained new foreign customers Increased net profit
M13	Tax Incentives for Offshore Trading Via Websites	Increased production Improved market growth
M14	Incentives to Acquire a Foreign Company	Gained new foreign customers
M15	Special Incentives to Increase Export	Increased export sales
M16	Duties and Sales Tax Exemption	Increased production
M17	Export Financing Facilities	Increased net profit
M18	Market Development Grant (MDG)	Increased net profit
M19	Bilateral Payment Arrangement (BPA)	Gained new foreign customers
M20	Commercialization of RND Fund (CRDF)	Increased net profit
M21	Technology Acquisition Fund (TAF)	Increased production Gained new foreign customers
M22	Technology Acquisition Fund for Woman (TAP-W)	Gained new foreign customers
M23	Export Credit Insurance Scheme	Gained new foreign customers
M24	Seminars and Workshops	Improved market growth
M25	Malaysia Export Exhibition Center (MEEC)	Improved market growth
M26	Malaysian Product Exhibition (MPE)	Increased export sales Gained new foreign customers
M27	Made-in-Malaysia In-Store Promotion	Increased export sales Increased production Increased net profit
M28	International Trade Fairs Overseas	Penetration new foreign market

5.3 Benefits of the Export Assistance Programs

Benefits of the Export Assistance Programs
Increased export sales Penetration new foreign market Increased production Gained new foreign customers Increased net profit Improved market growth Improved product Improved exporting process Improved international networking

6.0 Discussion

The study attempted to examine the awareness of the MATRADE export assistance programs to the SMEs. The results of the study indicate that percentages and mean values of the awareness not only vary among the respondents, but were also low among the responding firms. In terms of the helpfulness of the export assistance programs, the results of the research in general reveal that the SMEs in the study perceived the export assistance programs as not so helpful. The percentages and mean scores of the responses to the questions on the usefulness of the export assistance programs not only vary among the respondents, but also suggest the SMEs perceived the programs as not so helpful to their firms. This finding add support to the findings of earlier studies conducted by Peter (2011), De Nobel et. al (2009), Crick (2007), and Young, Robert & Davies (2009). As far as the usage of the export assistance programs are concerned, the results of the study suggest that moderate level of usage of the export assistance programs among the SMEs in the study. The results of study indicate higher percentages and mean values for the usage of the assistance programs provided by MATRADE among the responding firms in the study.

The results of the study indicate that the SMEs that used the export assistance programs have benefited from the programs. Among the types of benefits that the SMEs received from using the various export assistance programs included the following: (1) increased export sales; (2) penetration new foreign market; (3) increased production; (4) gained new foreign customers; (5) increased net profit; (6) improved market growth; (7) improved product; (8) improved exporting process; and (9) improved international networking.

7.0 Conclusion

Based on the results of this study, the following findings may be summarized. First, at the general level, the results of the study suggest that the level of awareness of the various export assistance programs among the SMEs is still low. Second, the results of the study in general indicate that to certain extent the SMEs in the study perceived the export assistance programs provided by MATRADE as not so helpful to their firms. Third, in term of the usage level of the export assistance program among the responding firms, the results of the study suggest that the SMEs in the study have been using the programs to a certain degree. Finally, the results of study appeared to suggest that the SMEs that used the various export assistance programs provided by MATRADE had received various types of benefits from the programs.

8.0 Implication of the Study

Several important implications can be drawn from this study. First, the SMEs in the study reported a lack of awareness of the available export assistance programs. This finding suggest that the existing export assistance programs are not reaching the SMEs. In order to increase the SMEs's awareness of export assistance programs, MATRADE need to increase their efforts in further promoting the export assistance programs effectively among the SMEs. Second, the finding of the study on the usefulness of the export assistance programs suggest that there is further need for the providers of the export programs to show the SMEs the helpfulness of the export assistance programs in assisting them with their exporting activities. Third, there is also need to increase the usage of the various export assistance programs among the SMEs. With regard to this, MATRADE need to increase the SMEs' commitments to using the various export assistance programs offered by them. These agencies can do so by showing the potential tangible benefits a firm can gain from using the various export assistance programs.

8.0 References

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