

EXPLORING THE EFFECTIVENESS OF EXPORT ASSISTANCE PROGRAMS ON MALAYSIAN SMEs

Mohd Khairuddin Hashim

Mustafa Zakaria

Sa'ari Ahmad

ABSTRACT

This article reports a research that focused on export assistance programs. More specifically, the study attempted to evaluate the effectiveness of 38 export assistance programs offered to Malaysian small and medium-sized enterprises (SMEs). The data for the study was collected from 76 SMEs in the manufacturing sector. The findings of the study indicated that the SMEs were not only aware of the programs, but they also found the export assistance programs to be helpful, and that they had benefited from using the programs.

INTRODUCTION

Presently, concerns are mounting about the future of Malaysian small and medium-sized enterprises (SMEs) in the new economy. More and more academics, politicians, bureaucrats, owners and managers of small businesses have expressed their apprehension. While some are quite optimistic about the possible opportunities, others are quite pessimistic concerning the challenges and threats of the new economy.

As far as the small and medium-sized enterprises (SMEs) in Malaysia 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.

Furthermore, increasing global influences and competition, technological advances, social changes, shifts in government trade and investment policies, and changing consumers markets are forcing SMEs to compete in international markets. With the effects of globalization, the prospects of stiffer competition, maturing markets, and limited local market opportunities, the potential consequences of international business for Malaysian SMEs are obvious. As these drivers of globalization intensified, SMEs not only need to seek international business options and operations, but they are also required to be globally competitive in order to survive.

Exporting provides small and medium-sized enterprises (SMEs) one of the viable options of doing business internationally. For a SME, developing export markets can be both a growth opportunity and a major challenge. Moreover, in view of stronger competition, maturing markets as well as increasingly limited domestic market opportunities, SMEs need to consider expanding their exporting activities.

In Malaysia, however, small and medium-sized enterprises (SMEs) appear to be lagging in their exporting activities. Currently, even though SMEs make up more than 90 percent of the total manufacturing firms in Malaysia, they merely export about 20 percent of their total output. Since this amount represents only about 10 percent of the nation's total exports of manufactured products, relatively SMEs have huge potential to expand their exporting activities and at the same time increase their contributions to the country's total exports.

Recognizing the need to further promote and stimulate the exporting activities of SMEs, the Malaysian government has introduced various exporting assistance programs through different agencies. Although various export assistance programs have been introduced to encourage the exporting activities of SMEs, very little is known about the impact of these assistance programs. The review of the small business research literature reveals limited studies have attempted to investigate the effectiveness of the export assistance programs on SMEs, particularly in the Malaysian context.

The purpose of this study is to address this particular issue. This study initiated an attempt to examine the effectiveness of 38 export assistance programs provided by three government supporting agencies to SMEs in the Malaysian manufacturing sector. More precisely, in determining the effectiveness of the export assistance programs, this study focused on the following aspects:

1. awareness of the export assistance programs among SMEs;
2. helpfulness of the export assistance programs to SMEs;
3. the use of the export assistance programs among SMEs; and
4. the benefits received from using the export assistance programs.

LITERATURE REVIEW

Exporting is considered by many as the most common mode of internationalization for businesses. In a study, Young et. al (1989) indicated that firms found exporting attractive because of minimal business risks, low resources commitment and high flexibility of actions. Furthermore, Terpstra and Sarathy (1994) suggested that exporting can provide individual firms a competitive advantage by improving their financial position, increasing their capacity utilisation, and raising their technological standards. According to Ogram (1982), exporting firms are those that have exported over the last three years and their exporting sales represent at least one percent of their gross annual sales.

Even though exporting appears to be attractive as well as profitable, previous empirical studies have also indicated that firms faced various obstacles when exporting. A good number of earlier studies have found that smaller firms faced various difficulties in initiating exporting (Alexandrides, 1971; Bilkey, 1978; Bauerschmidt et. al, 1985; Kau and Tan, 1986; Gripsrud, 1990; and Tseng and Yu, 1991). As a whole, these studies identified 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 commence exporting.

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Over the years, several studies have also attempted to investigate the various aspects of government export assistance programs designed to assist the smaller businesses overcome the complexities and challenges of the international marketplace. Of these studies, many have indicated that the export assistance programs were able to help not only the smaller exporting firms, but also the export assistance programs would benefit the smaller firms in various ways (Reid, 1984; Denis and Depelteau, 1985; Seringhaus, 1987; and Cavusgil and Naor, 1987).

Other earlier studies that examined the effectiveness of government export assistance programs suggested that for export assistance programs to become effective, they need to vary in nature to provide the type of assistance best suited for a particular group of firms and their stages of export development process. More specifically, the studies by Bilkey and Tesar (1977), Bilkey (1978), Welch and Wiedersheim-Paul (1979), Czinkota and Johnston (1981) suggested that export promotion programs for smaller firms should be developed based on their various stages of export development process.

Furthermore, in the study conducted by Reid (1981), the author claimed that the small business owners' attitudes, experiences, motivation, and expectations as the primary determinants in firms engaging in export activities. However, the study conducted on 129 small manufacturers in the United States of America by Albaum (1983) found that government export assistance programs were generally perceived as unfavourable by the small business exporters.

Finally, in another more recent study, Moini (1998) indicated that awareness and effectiveness of government export assistance programs varied by the internationalization of the firms. The study by Moini pointed that the firm and decision maker characteristics can influence the effectiveness of the assistance programs. In the same study, Moini proposed that the assistance programs be designed and implemented with clear target audiences in mind.

RESEARCH METHODOLOGY

Sample and Procedure

This study was confined to selected small and medium-sized enterprises (SMEs) in the Malaysian manufacturing sector. In this study, a small and medium-sized enterprise is defined as a manufacturing firm with an annual turnover of less than RM50 million and as one which is actively managed by its owner/s. Based on this definition, 300 SMEs were identified from the 2003 Federation of Malaysian Manufacturers (FFM) Directory of Malaysian Manufacturers.

The data for this study was collected by mail survey. Structured questionnaires were mailed to the top management of the 300 firms selected. Out of the total number of 300 questionnaires sent, 76 usable questionnaires were received, yielding a response rate of 25.3 percent.

Survey Questionnaire

The structured questionnaire adopted in this study consisted of six sections and 64 items. The first and second sections of the questionnaire which consisted of 17 items were used to obtain the general information concerning the background of the respondents (7 items) and the firms' characteristics (10 items).

The remaining 47 items in sections three (28 items), four (5 items), five (5 items) and six (9 items) of the questionnaire were designed to capture the respondents assessments of the 38 export assistance programs provided by the following agencies: the Malaysian External Trade Development Corporation (MATRADE); the Malaysian Export Credit Insurance Berhad (MECIB); and the Export-Import Bank of Malaysia Berhad (EXIM Bank).

The 47 items (in sections 3, 4, 5, and 6) served as a basis for assessing the effectiveness of the export assistance programs as reported by each of the respondent. In section three, four, and five, the respondents were asked

to rate each item on a five-point scale as follows: ranging from (1) not aware at all to (5) aware and used (awareness of the export assistance programs); ranging from (1) not helpful at all to (5) very helpful (helpfulness of the export programs); and ranging from (1) did not used to (5) used a lot (use of the export programs). In section six, the respondents who used the programs were requested to indicate the benefits they received from the export assistance programs.

THE RESULTS

Characteristics of the Respondents

Table 4.1 below displays the characteristics of the respondents in this study. The respondents consisted of managers but not owners (32), export executives (17), owners and CEOs (12), owners and managers (11) and owners but not managers (4). Malays comprised majority of the respondents (65.8%), followed by Chinese (21.1%), Indians (7.9%), and others races (5.3%). Forty-one respondents were males and 35 females. Of the 76 respondents, 41 were single, 33 were married and two remarried. Forty-four respondents had one to three years work experience, 18 respondents 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. In terms of education, 64 respondents obtained bachelor degrees, four respondents each had school certificates and master's degrees, three respondents had Ph.D degrees and one respondent had a diploma.

Characteristics of Sample Firms

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

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
	Export Executive	17	22.4
	Total	76	100.0
	Race:	Malay	50
Chinese		16	21.1
Indian		6	7.9
Others		4	5.3
Total		76	100.0
Gender:	Male	41	53.9
	Female	35	46.1
	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
Level of Education:	School Certificate	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

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.

Table 4.2 : Characteristics of Sample Firms

		N	Percentage
Legal Form of Business:	Sole proprietor	19	25.0
	Partnership	13	17.1
	Private Limited Company	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
Total Sales (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	21.2
	11-20%	6	18.2
	21-30%	9	27.3
	31-40%	2	6.0
	More than 40%	9	27.3
	Total	33	100.0

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.

Out of the 76 responding firms, 32 firms indicated that they had operations in foreign countries. The remaining 44 firms did not have any operation in other countries. Thirty-three firms reported that they were presently involved in exporting. Of these 33 firms, nine firms (27.3%) had their percentage of total sales in export (2002) of between 21 to 30%, another nine firms (27.3%) with more than 40%, seven firms (21.2%) had 1 to 10%, six firms (18.2%) had between 11 to 20% and two firms (6%) had between 31 to 40%.

Awareness of Export Assistance Programs

The responses to the questions on the awareness of the 38 export assistance programs are presented in the following Tables 4.3, 4.4 and 4.5. The 38 programs comprised export assistance provided by the Malaysian External Trade Development Corporation (28 programs), the Malaysian Export Credit Insurance Berhad (5 programs), and the Export-Import Bank of Malaysia Berhad (5 programs).

The mean responses of the awareness of the 28 assistance programs provided by the Malaysian External Trade Development Corporation (MATRADE) are reported in Table 4.3. The mean scores of the responses for the 28 assistance programs ranged from 2.47 to 4.16. These results to a certain extent suggest that the respondents were aware of the 28 export assistance programs extended by the Malaysian External Trade Development Corporation.

Table 4.4 below provides the mean and standard deviation scores of the awareness of the five export assistance programs offered by the Malaysian Export Credit Insurance Berhad (MECIB). As shown in Table 4.4, the

mean scores of the awareness of the five programs provided by MECIB ranged from 2.80 to 3.08. These results again suggest that the respondents were aware of the five programs offered by MECIB.

Table 4.3: 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

The following Table 4.5 summarizes the mean scores of the responses to the questions on the awareness of the five export assistance programs extended by the Export-Import Bank of Malaysia Berhad (EXIM Bank Berhad). The figures in Table 4.5 show that the mean scores ranged from 2.79 to 3.11. In general, these results also indicate that the respondents were aware of the five programs provided by the EXIM Bank.

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

Program	Mean	Standard Deviation
Buyer Credit Guarantee	3.08	1.28
Overseas Investment Insurance	3.08	1.34
Guarantee and Bond Indemnity Support facility	3.00	1.23
Comprehensive Policy (Shipments/ Contact)	2.97	1.31
Bank Letter of Credit and Policy (BLCP)	2.80	1.29

Table 4.5: Mean and Standard Deviation Scores of Awareness of the EXIM Bank Programs

Program	Mean	Standard Deviation
Export of service facility	3.11	1.28
Export Credit Refinancing (ECR)	3.08	1.28
Overseas project financing facility	3.07	1.31
Buyer credit facility	2.96	1.37
Supplier credit facility	2.79	1.41

Helpfulness of Export Assistance Programs

Apart from assessing the awareness of the export assistance programs, this study also attempted to determine the helpfulness of the assistance programs to the SMEs. Table 4.6 reports the mean scores of the helpfulness of the Malaysian External Trade Development Corporation (MATRADE) programs as recorded from the respondents. The mean scores ranged from 2.83 to 4.04. The results in Table 4.6 suggest that the respondents found the 28 programs provided by the MATRADE to be helpful to their firms.

Following Table 4.6, Table 4.7 below displays the mean scores of the responses on the helpfulness of the export assistance programs provided by the Malaysian Export Credit Insurance Berhad (MECIB). The mean scores ranged from 2.55 to 3.94. As a whole, the results in Table 4.7 indicate that the respondents viewed the programs offered by the EXIM Bank Berhad as slightly less helpful than the assistance programs provided by MATRADE.

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: Mean and Standard Deviation Scores of Helpfulness of the MECIB Programs

Program	Mean	Standard Deviation
Guarantee and Bond Indemnity Support Facility	3.94	1.10
Comprehensive Policy (Shipments/ Contact)	2.75	1.00
Buyer Credit Guarantee	2.64	0.99
Overseas Investment Insurance	2.64	1.10
Bank Letter of Credit and Policy (BLCP)	2.55	1.05

Table 4.8 below presents the mean scores of the responses on the helpfulness of the export assistance programs extended by the Export-Import Bank of Malaysia Berhad (EXIM Bank Berhad). The mean scores ranged from 2.45 to 2.83. The means scores in Table 4.8 suggest that the respondents in the study perceived the five programs propounded by the EXIM Bank Berhad to be slightly less helpful than both the assistance programs offered by MATRADE and MECIB.

Table 4.8: Mean and Standard Deviation Scores of Helpfulness of the EXIM Bank Programs

Program	Mean	Standard Deviation
Export Credit Refinancing (ECR)	2.83	1.04
Export of service facility	2.80	1.05
Overseas project financing facility	2.75	1.10
Buyer credit facility	2.64	1.13
Supplier credit facility	2.45	1.09

Use of the Export Assistance Programs

In the present study, the respondents who were aware of the export assistance programs were requested to indicate whether they had used the assistance programs provided by the three government supporting agencies. The mean responses on the use of the 38 export assistance programs are reported in the following Tables 4.9, 4.10 and 4.11.

As shown in the following Table 4.9, the mean scores of the use of the 28 programs extended by MATRADE ranged from 3.79 to 4.29. These results suggest that to a certain extent the respondents had used all of the programs offered by MATRADE.

Table 4.10 below displays the mean scores of the responses on the use of the five export assistance programs provided by MECIB. The mean scores ranged from 3.76 to 4.28. The means scores in Table 4.10 indicate that the respondents had used all the facilities extended by MECIB.

Table 4.9: Mean and Standard Deviation Scores of Use of the MATRADE Programs

Program	Mean	Standard Deviation
Double Deduction of Export Credit Insurance Premiums	4.29	1.54
Commercialization of RND Fund (CRDF)	4.18	1.06
Tax Incentives for Offshore Trading Via Websites	4.17	1.06
Deduction on Cost of Developing Websites	4.13	1.07
Technology Acquisition Fund for Woman (TAP-W)	4.13	1.07
International Trade Fairs Overseas	4.13	1.07
Technology Acquisition Fund (TAF)	4.12	1.07
Export Credit Insurance Scheme	4.12	1.08
Single Deduction for Hotel Accommodation	4.09	1.08
Malaysia Export Exhibition Center (MEEC)	4.09	1.08
Tax Exemption for Tour Operators, Conventional Fair Organizers	4.08	1.08
Incentives to Acquire a Foreign Company	4.07	1.08
Export Financing Facilities	4.05	1.09
Seminars and Workshops	4.04	1.09
Malaysian Product Exhibition (MPE)	4.04	1.09
Single Deduction for Registration of Patents	4.01	1.09
Tax Exemption on the Value of Increased Exports	4.00	1.09
Tax Exemption for Malaysian International Trading Company (MITC)	4.00	1.09
Duties and Sales Tax Exemption	4.00	1.08
Made-in-Malaysia In-Store Promotion	3.99	1.09
Industrial Building Allowance (IBA)	3.96	1.09
Bilateral Payment Arrangement (BPA)	3.96	1.09
Special Incentives to Increase Export	3.94	1.09
Single Deduction for Quality Certification	3.93	1.10
Double Deduction for Promotion of Exports	3.92	1.10
Market Development Grant (MDG)	3.92	1.11
Double Deduction for Promotion of Export of Services	3.91	1.10
Double Deduction for Promotion of Malaysian Brands	3.79	1.12

Table 4.10: Mean and Standard Deviation Scores of Use of the MECIB Programs

Program	Mean	Standard Deviation
Buyer Credit Guarantee	4.28	1.54
Overseas Investment Insurance	4.25	1.55
Bank Letter of Credit and Policy (BLCP)	4.22	1.55
Comprehensive Policy (Shipments/ Contact)	4.22	1.55
Guarantee and Bond Indemnity Support facility	3.76	1.67

Table 4.11 presents the mean scores of the use of the facilities offered by the EXIM Bank Berhad. As shown in Table 4.11, the mean scores varied from 3.87 to 4.14. These mean scores again suggest that the respondents had used all the five facilities extended by the EXIM Bank Berhad.

Table 4.11: Mean and Standard Deviation Scores of Use of the EXIM Bank Programs

Program	Mean	Standard Deviation
Export of service facility	4.14	1.07
Export Credit Refinancing (ECR)	4.12	1.08
Overseas project financing facility	4.09	1.07
Buyer credit facility	4.03	1.08
Supplier credit facility	3.87	1.11

Benefits of the Export Assistance Programs

In the present study, the respondents who used the export assistance programs were asked to indicate the benefits that they received from using the programs. The responses on the benefits received as recorded from the respondents are summarized in the following Tables 4.12, 4.13 and 4.14. As shown in Tables 4.12, 4.13 and 4.14, overall the respondents reported receiving the following benefits:

1. Increased export sales;
2. Penetrated 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.

Table 4.12: Benefits Received from the Programs Offered by MATRADE

MATRADE Program		Benefits
M1	Double Deduction for Promotion of Exports	Increased export sales
M2	Double Deduction for Promotion of Export of Services	Penetrated new foreign market Increased production
M3	Double Deduction for Promotion of Malaysian Brands	Penetrated 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	Penetrated new foreign market

Table 4.13: Benefits Received from the Programs Offered by MECIB

MECIB Program		Benefits
ME1	Guarantee and Bond Indemnity Support facility	Increased export sales
ME2	Bank Letter of Credit and Policy (BLCP)	Improved exporting process
ME3	Comprehensive Policy (Shipments/ Contact)	Improved exporting process
ME4	Buyer Credit Guarantee	Increased net profit
ME5	Overseas Investment Insurance	Gained new foreign customers

Table 4.14: Benefits Received from the Programs Offered by EXIM Bank Berhad

EXIM Bank Program		Benefits
EX1	Supplier credit facility	Increased production
EX2	Overseas project financing facility	Increased net profit
EX3	Export of service facility	Increased net profit
EX4	Buyer credit facility	Increased export sales
EX5	Export Credit Refinancing (ECR)	Gained new foreign customers

DISCUSSION AND CONCLUSION

The present study focused on export assistance programs. More precisely, the study attempted to evaluate the effectiveness of 38 export assistance programs offered to Malaysian small and medium-sized enterprises (SMEs) by the following three government supporting agencies; the Malaysian External Trade Development Corporation (MATRADE), the Malaysian Export Credit Insurance Berhad (MECIB), and the Export-Import Bank of Malaysia Berhad (EXIM Bank Berhad).

With regards to the effectiveness of the 38 export assistance programs in the study, several findings can be summarized. First, the findings of the study show that in general the respondents were aware of the 38 export assistance programs. Second, the results of the study suggest that the respondents viewed the export assistance programs as helpful to their firms. Third, the results of the study indicate that the respondents who were aware of the export programs reported that their firms used the programs. Fourth, respondents who reported using the export assistance programs indicated that they benefited from the programs. Overall, the findings of the study recorded at least nine different benefits that the responding firms received. These included; increased export sales, penetrated new foreign market, increased production, gained new foreign customers, increased net profit, improved market growth, improved product, improved exporting process and improved international networking.

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