

**A STUDY ON PRODUCT DEVELOPMENT AND REENGINEERING
BY SMALL AND MEDIUM INDUSTRIES TO CREATE INVESTOR
AWARENESS IN MALACCA INTERNATIONAL TRADE CENTRE
SHOWROOM**

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ABSTRACT

Small Medium Industries (SMI) as defined by government is company with full-time employees not exceeding 150 and with an annual sales turnover of not exceeding RM2.5 million. The objective of this new definition is to provide opportunities for more SMIs to obtain the various incentives provided by the government to these industries, thereby encouraging the expansion and strengthening of SMI activities. There are only 20% of SMI products are export oriented and the State Government is encouraging the Multi National Companies (MNC) to invest in Malacca to expand SMI products for international market. The establishment of Malacca International Trade Centre (MITC) also is another way to expand SMI products for international market.

Under the MSDC, the Chief Ministry established Malacca International Trade Centre (MITC) on 9th of July 2000 in order to make this centre as the medium in promoting the local manufacturer products forward at the international level. The Malacca International Trade Centre (MITC) is the first trade centre in Malacca that provides information on products of Malacca manufacturers.

SMIs have many obstacles in their operation such as insufficient fund, low level of products standard, difficulties in obtaining loans, lack of R&D activities and lack of expertise manpower. A study on product development and reengineering by SMIs to create investor awareness in MITC showroom was conducted to ensure that low product standard among SMIs could be reduced.

As such, 100 respondents were selected to provide answers and opinions on the study. In the questionnaires, respondents were asked about the company profile, customer awareness and MITC function. The questionnaires were divided into 3 sections to ensure that the research could be carried out successfully.

The findings of the study disclosed that many SMIs in Malacca are involved in product development and reengineering activities but not R&D activities specifically. The results also indicated that most of them are not member of MITC. Investor/customer preferences towards the characteristics of quality products have also been found.

In conclusion, SMIs must increase their effort in product development and reengineering as some of their products are not well known. Hence, R&D activities must be increased to ensure continuous improvisation of products together with proper product development and reengineering. These activities are important for the products to be accepted in the market.

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