

**FACTORS THAT INFLUENCES BUMIPUTERA PARTICIPATION
OF SME IN MELAKA**

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ABSTRACT

The purpose of this research is to explore ways to attract and convince investors in Melaka, to identify the challenges occurs to sustain the investors in SME Melaka and to explore the want and need of investors in Melaka

Overall result indicates the problems and the challenges occur to sustain the investors in SME Melaka. This finding helps Ministry of Melaka to achieve the mission and vision of Melaka towards 'Melaka Maju 2010'.

1.0 INTRODUCTION

1.1 BACKGROUND

Small Medium Enterprises (SMEs) stimulate private ownership and entrepreneurial skills and provide broad based sources of growth at the same time, it also acting as incubators for developing domestic enterprises into large corporations. However, SME contribution to the economy is still relatively small in Melaka. This had shown through the data provided by from Melaka State Development Corporation (PKNM) which is only 40% Bumiputera participation in SME in Melaka compared to the Non-Bumiputera participation which is 47% in the rural areas while only 46% Bumiputera participation in SME in Melaka compared to the Non-Bumiputera participation which is 51% in the rural areas. In recognition of this, the Government of Melaka has made the development of SMEs a high priority area. This is reflected in the national development agendas, namely the Ninth Malaysia Plan (9MP) and the Third Industrial Master Plan (IMP3), in which the key strategies for SME development are outlined for the 2006-2010 and 2006-2015 periods respectively. Therefore, through 9MP, PKNM targeted 60% to 70% of Bumiputera participation involve in SME in Melaka and they had reserve all 38 units of lots for Bumiputera SMEs and build 102 units of lots for new projects in year 2008. Besides, many programs are developed by Ministry of Entrepreneur and Co-