

# **A PROPOSED FRAMEWORK FOR REDEFINING SMES IN MALAYSIA: ONE INDUSTRY ONE DEFINITION?**

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## **ABSTRACT**

In Malaysia, small and medium-sized enterprises (SMEs) have been variously defined by different supporting agencies. These differences matter because the way an important concept such as SME is defined and interpreted has serious implications on the formulation as well as implementation of a particular policy (such as in identifying the qualified SMEs for assistance programmes). This paper initiates an attempt to provide a framework towards developing a 'fair' and 'efficient' definition of SMEs in the Malaysian context. This alternative approach is developed by taking into consideration not only the nature and needs of SMEs in Malaysia, but also by examining some of the widely used definitions available in literature. It is proposed that SMEs should basically be redefined according to the different types of industries. It is also advocated here that both quantitative as well as qualitative criteria be adopted in the framework for redefining an SME.

## **INTRODUCTION**

A survey conducted by the United Nations (1993) has found that small and medium-sized enterprises (SMES) play a significant role in the economic and social structure of developed economies. The study also found that SMEs account for more than 90 per cent of all enterprises in developing countries. Whilst SMEs operate in almost all industries, they differ greatly in their nature and importance from industry to industry and from country to country. Definitions of SMEs also vary among countries in the world, different countries use different standard and different criteria to measure the size of firms and hence, to define SMEs.

In another two recent studies, it was detected that there were not fewer than 18 ministries and more than 60 agencies in Malaysia which were involved in assisting the development of the SMEs sector (Hashim, 2000a; Hashim, 2000b). Most of these agencies however, had their own perception and used their own criteria in interpreting and defining SMEs. Expressed differently, even though SMEs have become the subject of increasing attention by the Malaysian government in recent years (see e.g., the New Straits Times (NST), December 2, 1998 and October 26, 1998), the term still appears to have been variously and inappropriately defined by the different government agencies or supporting bodies.



Most of the definitions of SMEs adopted by the above-mentioned agencies are old and inconsistent and therefore, inappropriate to describe and measure satisfactorily the size of firms in the different industries. The absence of a precise and consistent definition of SMEs in this country could be attributed to the difficulties in obtaining accurate data or even the unavailability of data on SMEs, limited experience as well as the lack of knowledge in the area.

In the meantime, as reported in the NST, January 19, 1998, "The Government has redefined small and medium scale industries so the sector can better tap new business and investment opportunities", the International Trade and Industry Minister stressed that the new definition (see heading "Definitions of SMEs in Malaysia") would facilitate a more focused approach in developing SMIs: "Under the new definition, the Government can direct its assistance programmes and schemes to target sectors of the industry, where the SMIs can be nurtured" (see heading "SMEs versus SMIs").

What is meant by a small and medium-sized enterprise (SME)? How small or how big is a small-sized enterprise? Given the aforementioned scenario to benefit all parties directly or indirectly involved in the growth and development of the SMEs sector, it is high time to consider seriously the exact meaning of SMEs in the Malaysian context. In other words, being certain (and consistent) about what constitute an SME in the Malaysian economy is a basic issue in ensuring fairness and efficiency in the 'development administration' of the country's SMEs sector.

Since there are numerous agencies providing different types of services for SMEs, matching the needs of SMEs with the various assistance programmes available will require specific evaluation. However, in the absence of a clear and appropriate definition of the SMEs concept, a fair, effective and efficient evaluation of SMEs for assistance through the many assistance programmes offered by the government in this country could (directly or indirectly) be hampered. This paper attempts to provide a framework for redefining SMEs from the Malaysian perspective. This alternative framework for redefining SMEs is developed by taking into consideration not merely the nature and needs of SMEs in Malaysia, but also by examining some of the widely used definitions available in the literature. To meet this goal, the present paper is organised along the following lines.

Section two (SMEs versus SMIs) starts off with a short discussion on "SMEs" and "SMIs", the two widely used acronyms concerning small and medium-sized firms. In order to get some insights into a precise definition of SMEs, section three (Definitions of SMEs in Developed Countries) examines some of the definitions used in the developed countries, European Community, United States of America (USA) and United Kingdom (UK). This is followed by section four (Definitions of SMEs in Malaysia) which discusses the various definitions of SMEs available in Malaysia. The proposed framework for redefining SMEs in this country is presented in section five (The Proposed Framework for Redefining SMEs). To complement this proposal, a brief discussion on its implementation aspects is



provided, and this is found in Section Six. Section Seven offers the concluding remarks for the paper.

### SMES VERSUS SMIS

The term's small and medium-sized enterprises (SMEs) and small and medium scale industries (SMIs) appear to have been used interchangeably, especially in our local newspapers, to connote almost the same meaning. However, it is worth noting here that in economics, an industry means a group of firms producing the same type of products whereas an enterprise refers to a business company or firm. Throughout the present paper we are using the acronym SMEs instead of SMIs because it is believed that in this case, the term "enterprises" (rather than "industries") is the more suitable term. By doing so, it is hoped that confusion can be avoided because SMEs can be found in almost all industries. The United Nations (1993) and Whittaker (1997), among others, also use the acronym "SMEs" instead of "SMIs".

### DEFINITIONS OF SMES IN DEVELOPED COUNTRIES

To the World Bank, SMEs are enterprises that employ 5 to 199 full time employees (World Bank, 1978). On the other hand, the European Commission (EC) (Mulhern, 1995; Smallbone, 1995) defined SMEs as enterprises that employ less than 500 employees. In this case, enterprises were disaggregated into the following three categories;

1. Micro-enterprises - Those employing less than 10 employees
2. Small enterprises - Those with 10-99 employees and
3. Medium enterprises - Those with 100-499 employees

In the USA as noted in Barrow (1998), there are two definitions commonly referred to in classifying enterprises. Unlike the EC's definition, one can only label an enterprise as an SME after it has met some quantitative as well as qualitative criteria. However, various quantitative criteria are being used to measure the size of companies in the USA. They include the following;

1. Number of employees
2. Volume of sales
3. Value of assets
4. Insurance in force and
5. Volume of deposits

Of the criteria listed above, the number of employees, as underlined by Longenecker, *e.al*, (1994), is the most likely used yardstick in the USA. In spite of this, the authors suggested that the best criterion to be used in any case, would depend upon the user's purpose.



However, the criteria first used by the Small Business Administration (SBA) of the USA to classify SMEs were the number of employees and sales volume (See Longenecker, *et al*, 1991; 1994). For example, in mining and manufacturing, the SBA classified firms with fewer than 500 employees as small. The size standards for most non-manufacturing industries on the other hand, are expressed based upon annual receipts (Appendix 3). In the meantime, the Committee for Economic Development (CED) as noted in Gaedeke and Tootelian (1991), 'defines' SMEs from a different perspective. Here, the priority is given to the qualitative rather than quantitative criteria. According to the CED, a SME should have at least two of the following characteristics;

1. Management of the business is independent. Usually managers are also the owners
2. Capital is supplied by an individual owner or a small group
3. The area of operation is local, employers and owners reside in one home community although the markets served need not be local
4. The size of the firm is small relative to the industry. The size of the top bracket varies widely, so that what might seem large in one field would definitely be small in another

In the UK, the approach used in defining SMEs is almost similar to the one practised in the USA. Stress is given on both quantitative as well as qualitative features of the enterprises. For example, a committee that was formed in July 1969 to consider the state of small firms defined those firms with less than 200 employees as small in size. However, finding this definition to be impractical and unhelpful, the committee introduced some additional criteria (Meredith, 1982). The committee felt that an SME should have a relatively small share of its market; it should be run by its owner and should be independent and not the subsidiary of a large firm. In addition, the committee sets their quantitative limits at 200 employees in manufacturing firms; an annual turnover of 50,000 pounds per annum (1970 price) in retailing and 25 employees in construction. As reported by Barrow (1998) two additional studies in the United Kingdom saw small firms as differing from large firms mainly in the way in which they were financed. For example, the small firms were found to be more reliant on bank finance and the use of trade creditors. SMEs were characterised by their inability to raise risk capital from the public, depending instead, on the owner's stake and loans from directors. Meanwhile, the Bolton Committee of the United Kingdom, identified the following three main qualitative characteristics of a small firm;

1. A relatively small share of its market
2. Managed by its owners or part-owners in a personalised way and not through the medium of a formalised management structure and
3. Independent in the sense that it does not form part of a larger enterprise and that the owner-managers are free from outside control in making their principal decisions.



## DEFINITIONS OF SMES IN MALAYSIA

In Malaysia, SMEs are generally 'defined' based on fixed quantitative criteria such as the number of employees, amount of capital, amount of assets and sales turnover. Moreover, as pointed out earlier, different organisations have their own perceptions and definitions of an SME. Previously, the Coordinating Council for Development of Small-Scale Industries (CCDSI), which acted on behalf of the Division of Small Enterprise in the Ministry of Trade and Industry (MITI), defined SMEs as enterprises with fixed assets of less than RM250.000 or in the case of companies, the shareholders' fund not exceeding RM250.000. Under the Industrial Coordination Act 1975 (Amendment 1986), the Promotion of Investments Act 1986, and as noted in the Bank Negara's lending guidelines, SMEs are defined as enterprises with net assets or shareholders' funds of not more than RM2.5 million (Malaysia, 1998). Under this definition, a firm with shareholders' funds of less than RM500.000.00 is considered as small, whereas a firm with shareholders' funds of between RM500.000 to RM2.5 million is labelled as medium-sized. Another definition of SMEs in this country is the one provided by the former Small-Scale Industry Division of MITI. According to this definition, an enterprise with assets or shareholders' funds of between RM500.000 to RM2.5 million and employ full time employees of between 5 to 100 employees is an SME.

One of the major functions of the Credit Guarantee Corporation (CGC) which was established on July 5, 1972, is to provide guarantees for loans made by financial institutions to SMEs. To the CGC, an SME is an enterprise that has net assets of less than RM500.000 or, in the case of limited companies, shareholders' funds of less than RM500.000. The Small and Medium-Sized Industry Development Corporation (SMIDEC), which replaces the former Small-Scale Industry Division of MITI, however, has its own definitions of SMEs. In a formal reply (November 28, 1996), SMIDEC classified and interpreted business enterprises in the following ways; 1) Small-sized business enterprise is "an enterprise with a paid-up capital of less than RM500.000 and employs full time employees not exceeding 50 persons", 2) Medium-sized business is "an enterprise with a paid-up capital of RM500.001 to RM2.5 million and employs full time employees of between 51 to 75 persons".

Similarly, the Ministry of Finance appears to have defined SMEs in its own way. In announcing the RM1 billion government funds for the manufacturing sector in December 1997 (NST, December 8, 1999) the Ministry of Finance classified SMEs in the manufacturing sector as those companies with a paid-up capital of not more than RM50 million. On another occasion, realising the inappropriateness of its old definitions, in January 1998(see the NST, January 19, 1998) the Ministry of International Trade and Industry redefined SMEs in the manufacturing sector to include companies with larger operating capacity. Under its new definition; 1) A small-scale firm is a company "with less than 50 full time employees, and with an annual turnover of not more than RM10 million", 2) A medium-scale enterprise is a company "with between 51 and 150 employees, and with an annual turnover of between RM10 million and RM25 million".



Lastly, Bank Bumiputra Malaysia Berhad (now, Bumiputra-Commerce Bank) defines SMEs as firms with shareholders' funds that do not exceed RM10 million. This was disclosed when the Bank was offering loans to SMEs in the manufacturing sector in September 1998 (NST, September 7, 1998). At this juncture, after reviewing the definitions provided by various institutions – Can it be said that SMEs in Malaysia have been well defined? Is MITI's revised definition of SMEs that comprehensive and representative enough to describe SMEs in the various industries of the Malaysian economy? The impression is that SMEs in the Malaysian context are still not appropriately defined. Whereas the revised definition provided by MITI could be considered as the 'most up-to-date' one, we can detect that it has a number of shortcomings indicate that the groundwork underpinning the development of this definition is not very convincing;

1. This definition is quantitative in nature: it ignores the qualitative aspects of SMEs
2. It was prepared without a 'complete' information about the profile of enterprises operating in the SMEs sector. As reported in the New Straits Times of April 11, 1998, only companies with a paid-up capital of RM2.5 million and above, and with 75 full-time employees were required to register with MITI (This implies that the Ministry itself did not possess much information about the profile of SMEs in Malaysia)
3. The new definition appears to have been prepared just to meet specific objective(s) (rather than to reflect and describe the actual characteristics and requirements of SMEs). Whilst SMEs are "a critical component to the country's industrial chain", a report in the NST of December 23, 1997, states that MITI was reviewing and redefining the small and medium-sized enterprises "in a move to better reflect the importance of the sector as a back-up sector to major industries". The report also implies that this revised definition was introduced with the objective of inducing banks to lend money to SMEs, "RM50.000 [capital] is not enough. Even banks would be reluctant to lend money to these [type of] SMIs for them to expand"

As far as the concepts of SMEs in the Malaysian context are concerned, our examination of the various definitions in this section reveals a number of features. They can be recapitulated in the following points;

1. SMEs have not been uniformly defined
2. Definitions of SMEs vary from one organisation to another and even from one time to another
3. These various definitions of SMEs were prepared to meet certain needs and purposes only: they seem to be ad hoc in nature
4. These definitions are too general to reflect the heterogenous nature of SMEs. As such, their operational value is questionable.



## THE PROPOSED FRAMEWORK FOR REDEFINING SMES

Whilst most of the definitions reviewed in Section Four are based on fixed quantitative criteria, in reality, these quantitative criteria vary in their value as measures of firm size in different industries. Whilst, in an industrialising economy like Malaysia there are too many firms in too many different industries, using one standard definition based on the same fixed and limited quantitative criteria to classify thousands of different firms in hundreds of different industries as small or medium would be less effective and less efficient (for practical purposes). Such a definition (or interpretation) of SMEs is considered to be less efficient and impractical because it is apparently incapable of reflecting the nature and needs of firms in different industries. Indeed, each firm in each different industry (such as capital, labour or technology intensive industry) has different needs and requirements (minimum and maximum amount) for resources such as workers, capital (physical and monetary) and technology in order to produce goods and services for sale. For example, a firm that adopts automation in its operations will require fewer workers than another that is less automated.

Given the weaknesses and inconsistencies of the existing definitions as discussed above, information aimed at investigating, understanding and comparing the quantitative as well as the qualitative characteristics of SMEs in various industries in Malaysia was collected. Part of the information search involved examining and comparing several aspects of enterprises in two types of industries: tobacco (curing) industry and clay and sand-based industry. Some of the findings of this information search are summarised in Appendix 1. Figures shown in Appendix 1 indicate that different industry has different characteristics and requirements. For example, the (minimum) capital requirement for the smallest firm in the tobacco (curing) industry is RM300.000 compared to RM1.000.000 in the clay and sand-based industry. Similarly, the sales for the smallest firm in the tobacco industry are about RM280.000 per annum that in the clay and sand-based industry is about RM3.000.000.

The above example implies that, by using the latest definition of SMEs by MITI (1998), which is a general definition of SMEs for all industries, it might be wrongly concluded that firms in certain industries are only SMEs, whereas in reality, all industries are made up of relatively small, medium and large firms.

Notwithstanding the preliminary nature of the information from the above example, it has provided us an insight into a deduction that identifying, classifying and describing the numerous different firms in the various different industries as small-sized or medium-sized, is beyond the scope of any general definition such as the ones provided by the SMEs supporting organisations as highlighted in Section Four. Appropriately, this information could serve as preliminary evidence to support the belief that, for the sake of "fairness" and appropriateness, SMEs should necessarily be redefined based on one basic principle: one industry one definition. In other words, it is suggested that SMEs in different industries should have different definitions. Indeed this principle is in line with the findings of at least two previous studies: Bolton Committee (Barrow, 1998) and CED (Gaedeke and Tootelian, 1991).



This idea or principle of defining SMEs is actually not novel. Defining SMEs based on their respective industries has already been practised in several developed countries such as the USA and the UK. For example, in the USA, the Small Business Administration (SBA) which was created in 1953 by the United States Congress to help small business thrive, has been using this approach for defining SMEs since 1984 (Appendices 2 and 3). A framework towards developing more uniform and consistent definitions of SMEs in various industries in Malaysia is now presented after laying down the basic principle or the foundation for defining SMEs. The framework which takes into consideration both general quantitative and qualitative characteristics of SMEs, is given below;

**Quantitative Criteria:** The following general quantitative criteria are used in redefining SMEs;

1) A small-sized enterprise is a firm that employs 10 to 50 full-time employees and has a paid-up capital of less than RM10 million. The choice of limits for full-time employees and paid-up capital could be justified as follows;

- 10 full-time employees are used as the minimum limits because findings of from investigation indicate that a firm that employs less than 10 full-time employees are loosely structured. So, such an enterprise is labelled as a micro firm
- 50 full-time employees are the figure based on MITI's revised definition as highlighted in "Definitions of SMEs in Malaysia". However, there should be flexibility here since different firms have their own requirements for employees depending on their levels of technology orientation and capital intensity
- Currently, RM10 million is the minimum limit for a firm to be listed as a public company on the Second Board of the Kuala Lumpur Stock Exchange (KLSE). However, the use of this limit here is debatable and likewise the limits in other definitions

2) A medium-sized enterprise is a firm that employs 51 to 300 full time employees and has a paid-up capital of RM10 million to RM49 million. The rationale behind the use of the above figures (in determining a medium-sized enterprise) considers the following points;

- According to the Japanese government statistics as reported by Whittaker (1997, p. 12), 300 employees (or 100 million yen of capital) is the upper cutoff point for an enterprise in Japan to qualify as an SME. So, 300 employees could be viewed as the Asian standard of the maximum size of SMEs
- The choice of RM49 million is congruent with the maximum paid-up capital requirement for a company to seek listing on the Second Board of the KLSE

The use of these two quantitative characteristics: number of employees and paid-up capital is recommended here in order to comply with most of the widely used definitions of SMEs in Malaysia. Nonetheless, since quantitative characteristics alone do not appear to be a satisfactory and helpful measure of SMEs (as indicated in the



cases of the Committee for Economic Development of USA in 1947; the Bolton Committee of the United Kingdom in 1971; and the study by Meredith and Grant in 1982), it is recommended that some selected qualitative characteristics be included in defining SMEs.

Qualitative Criteria: SME is also an enterprise that generally possesses the following characteristics;

- Actively managed by its owners or in Whittaker's (1997, p. 12) words, "owner-managed and family businesses"
- Highly personalised (i.e., owner's preferred management style)
- Largely local in its area of operations and
- Largely dependent on internal sources of capital to finance its growth.

The rationale behind the inclusion of these four qualitative characteristics is to establish the entrepreneurial orientation that will reflect the general ownership profile of SMEs in Malaysia. Moreover, these qualitative criteria are advocated here in order to be in tandem with the qualitative characteristics suggested by the Committee for Economic Development (1947) as highlighted in "Definitions of SMEs in Developed Countries" which are widely referred to by writers of small business management (Longenecker, *et al*, 1994; Gaedeke and Tootelian, 1991; Siropolis, 1982; Hodgetts and Kuratko, 1995; Pickle and Abrahamson, 1990).

## IMPLEMENTATION

The implementation of this recommendation will require a review of the current definitions of SMEs by the various supporting agencies. An appropriate approach may be to appoint an agency to gather the necessary information on SMEs in the country or to contract out this task to a university or some other organisations capable of addressing and completing the task. However, initiative and coordination task should preferably come from the MITI. At this implementation stage, it is worth noting the following points;

- 1) In any attempt to fix the exact quantitative criteria for a precise definition of SMEs in each different industry, the following information should necessarily be required;
  - The number of the different types of industries
  - The minimum and maximum amount of capital required to operate a firm in a particular industry (because each different industry has its own level of minimum requirements for capital)
  - The numbers of firms in each industry
  - The minimum and maximum numbers of workers required to operate and manage each company (because each firm in each different industry requires different numbers of workers)
  - The size of each industry (in terms of production volume)
  - The size of the market (in terms of total sales turnover for each market) and



- The level of technology in the industry

The major drawback of using quantitative criteria [such as paid-up capital and annual turnover] in defining and classifying SMEs however is that they are exposed to inflationary effect. As such, when the general price level in the economy is escalating very fast, frequent adjustment need to be made to these quantitative criteria.

2) Qualitative criteria are complementary to the quantitative criteria in providing information towards developing a precise and comprehensive definition of SMEs. Since these qualitative criteria are not quantifiable, we should be very careful and flexible in using them to identify, qualify and define firms as SMEs.

## CONCLUSION

Different from the conventional definitions of SMEs in Malaysia which concentrate solely on the quantitative aspects, this paper proposes a framework for redefining an SME in different industries from both quantitative as well as qualitative perspectives. It is advocated that two general quantitative and four qualitative characteristics to be taken into consideration by any agency when it is trying to identify, classify and define an enterprise as small or medium (in each different industry).

It is hoped that this proposed framework could contribute towards a more professional, fair and effective evaluation of potentially eligible SMEs for supporting purposes. Based on such a framework of redefining SMEs, it is also hoped that the utilisation of the various assistance programmes provided by the government can be improved. More specifically, various parties (either directly or indirectly) involved in monitoring and nurturing the growth of the SMEs sector, can benefit from using this 'quantitative-qualitative' framework in redefining SMEs (in each different industry) in the sense that it would;

- Help to identify the relevance of assistance programmes and eligible SMEs
- Improve collaboration (rather than redundancies among agencies)
- Establish business relationships between SMEs and the agencies
- Assist in developing guidelines to identify SMEs which qualify for assistance programmes
- Act as a means of identifying promising SMEs
- Provide focused assistance programmes for SMEs
- Assist in reviewing assistance programmes and
- Direct SMEs to establish links to the most appropriate supporting agency

In conclusion, a precise and more appropriate definition that reflects the size, the nature and needs of SMEs is essential and advantageous not only for a particular SME itself, but also for policy makers and supporting agencies in planning and nurturing the proper growth and development of the SMEs sector in Malaysia as a whole.



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**Appendix 1: Tobacco curing and clay and sand-based industries:  
A comparison of firm size and requirements**

<b>Tobacco Curing Industry</b>	<b>Clay and Sand-Based Industry</b>
Number of firms: 340	Number of firms: 112
Production per annum: Largest firm - 63.000 kilograms Smallest firm - 20.000 kilograms	Production: Largest firm - 600 tons per hour Smallest - 80 tons per hour
Sales per annum: Largest firm -RM882.000 Smallest firm - RM280.000	Sales per annum: Largest firm - RM120.000.000 Smallest firm - RM3.000.000
Minimum capital requirement: Largest firm - RM1,000,000 Smallest firm - RM300,000	Minimum capital requirement: Largest firm - RM25.000.000 Smallest firm - RM2.000.000



**Appendix 2: Quantitative Classification of SMEs in United States of America and United Kingdom: Different Industries Different Definitions**

Country	Industry	No. of Employees	Sales
United States of America	Manufacturing	250 to 1,500 persons	-
	Retailing	-	US \$ 2 to 13.5 million
	Wholesaling	<500 persons	US \$ 9.5 to 22 million
	Transportation	-	US \$ < 3 million
	Construction	-	US \$ < 17 million
	Service	-	US \$ 3.5 to 14.5 million
United Kingdom	Manufacturing	< 200 persons	-
	Retailing	-	< 50.000 pounds
	Wholesaling	-	< 200.000 pounds
	Construction	< 25 persons	-
	Services	-	< 50.000 pounds
	Motor trading	-	< 100.000 pounds
	Mining/Quarrying	< 25 persons	-

Source: Meredith and Grant (1982)



**Appendix 3: Definitions of SMEs developed by the Small Business Administration (SBA) in the USA according to the types of industries**

Types of Industries	Number of Employees	Sales
<b>Manufacturing:</b>	<b>(250 to 1,500 persons)</b>	-
Aircraft	< 1,500 persons	-
Calculating machines	< 1,000 persons	-
Construction machinery	< 750 persons	-
Electronic computers	< 1,000 persons	-
Furniture and fixture	< 500 persons	-
Household vacuum cleaners	< 750 persons	-
Macaroni and spaghetti	< 250 persons	-
Men's and boys' clothes	< 500 persons	-
Metal can	< 1,000 persons	-
Newspaper publishing and printing	< 500 persons	-
Petroleum refining	< 1,500 persons	-
Poultry dressing plants	< 500 persons	-
<b>Retailing:</b>		<b>(US \$ 2 to 13.5 million)</b>
Automobile agencies	-	< 6.5 million
Bakeries	-	< 13.5 million
Department store	-	< 13.5 million
Furniture stores	-	< 3.5 million
Grocery stores	-	< 7.5 million
Hardware stores	-	< 3.5 million
Mail order houses	-	< 7.5 million
Radio and television stores	-	< 2.5 million
Restaurants	-	< 10 million
Variety stores	-	< 3.0 million
<b>Wholesaling:</b>	<b>(100 to 500 persons)</b>	<b>(US \$ 9.5 to 22 million)</b>
Automotive parts and supplies	< 500 persons	-
Dairy products	< 500 persons	-
Groceries	-	< 14.5 million
Paints and varnishes	-	< 22 million
Sporting goods	< 500 persons	< 14.5 million
Tires and tubes	-	< 22 million
<b>Services:</b>		<b>(US \$ 3.5 to 14.5 million)</b>
Computer processing services	-	< 7.0 million
Computer-related services	-	< 12.5 million
Mobile home dealers	-	< 6.5 million
Passenger car rental and leasing	-	< 12.5 million
Automotive repair shops	-	< 3.5 million
Radio and television repair shops	-	< 3.5 million
Advertising agencies	-	< 3.5 million
Employment agencies	-	< 3.5 million
Beauty shops	-	< 3.5 million
Insurance agents, brokers and service	-	< 3.5 million

Sources: Longenecker, *et al*, 1994; Gaedeke and Tootelian, 1991; Siropolis, 1982; Hodgetts and Kuratko, 1995; Pickle and Abrahamson, 1990.