



The Potential for Small Medium Enterprise Sector (SMEs) after Ratification of D-8 Preferential Trade Agreement: Malaysian Opportunity and Experiences

Madzli bin Harun¹

Abstract

On 2006, Bali Summit at Indonesia is a new era for Developing Eight Economic Cooperation Organisation among Muslim countries (D-8 Organisation) to enhancement member states trade activities when the proposal for introduces D-8 Preferential Trade Agreement (PTAs) has been agreed and signed by all of the member states. In line with that the most significant related with D-8 businessman counterpart sector is Small Medium Enterprises (SMEs) which it also one of the main industry concern those member states whose already ratified D-8 PTAs such as Malaysia and Republic Islam of Iran on 2007 and 2008. PTAs play an important role for trade activities because it created harmonisation on trade such as offered minimum tariff, non tariff barriers as well as quotas restrictions for the product has been offered by member states. Hence it will be enhancement trade transaction and economics as whole. Generally, most of the products offered and listed by member states in Rules and Origin and PTAs are produces by small medium enterprises. Trade and economics integration, basically will create the potential harmonisation for SMEs industry such as in processing products, agricultural, fisheries, foods and livestock which that are the niche area most of D-8 SMEs member states. But how about the Malaysian case? Here, author would like to address Malaysia niche potential for domestic SMEs. To measure PTAs, author has been chose SWOT Analysis as a main tools. Why SWOT Analysis, it because PTAs current status still in progress for implementation but not fully ratify by member states at least four countries and not yet enforcement as well. To support SWOT Analysis, interview session is the main tools for author to gains as many as response, idea, opinion and recent information from respective actor and player in the SMEs industry relating to PTAs. Here, discussing not only base on theory but beyond than that or the linkages between theory and agreements (PTAs). As a conclusion, this research is to establish or firm PTAs by supporting from SMEs sector because most of the products offered on Rules of Origin (RoO) and PTAs are significance with SMEs production. Later or sooner it will assist domestic SMEs to participates an actively in international trade and market rather than focusing on

¹ Lecturer, Department of Maritime Management, Faculty of Maritime Studies and Marine Sciences
University Malaysia Terengganu, Malaysia, madzli@umt.edu.my



domestic market. Hence, Malaysia SMEs look forwards the potential could gains through ratification of PTAs. Also remind to readers that SMEs might be able to boost the economics and trade especially to the candidates PTAs countries.

Keywords: SMEs, Preferential Trade Agreement and D-8 Organisation