

The development of Malaysian SMEs in Information, Communication and Technology (ICT) sector

Introduction:

Physical resources and capital goods are traditionally seen as the foundation for long-term national prosperity. Japan and Taiwan have little of such things, yet they have experienced rapid economic growth and social development. Something else must have driven their engine for growth. An extensive literature (for example Romer, 1990; Helpman, 2004; Solow, 1956) suggests that the driving force is the consistent eagerness of their people to acquire knowledge and exploit ideas from worldwide sources, and then begin to innovate and create a continuous stream of new products, industries, technologies and business models. In this context, we focus on two significant issues. First, we focus on entrepreneurs who basically develop wealth by transforming low-return and obsolescent investments into high-return, cutting edge innovations. Secondly, we focus on the ICT sector, which makes up one of the most dynamic sectors of a modern knowledge-based economy (Sami, Tammi & Meristo, 2004).