Enhancement of Local Small and Medium-Sized Industries through Business Cooperation

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Abstract

The challenges facing Small and Medium sized Industries (SMIs) today highlight the importance of adopting new approaches to enhance their competitiveness and sustainability. Business co-operation or business networking and clustering concepts are widely adopted and encouraged around the world. In the same context, there is a national effort to help local SMIs to cut down cost and improve productivity. This study focuses on local SMIs. It explores the extent to which the co-operation between business: current practices within local SMIs, factors inhibiting it, factors encouraging it and its benefits. The study followed qualitative and quantitative approaches to achieve its objectives. It was found that a significant proportion of the local industries did not practice this concept. Firms that cooperate share certain characteristics, for example, they are relatively new businesses, have a large workforce and export. The study shows that the manufacturing firms who do not practice business co-operation face more obstacles in controlling the cost of production, exports and finding resources. The third party intervention is recommended to stimulate the adoption of business cooperation attitude between local firms.