

A : New Issues Proposed by Doc. K-Tabby

There are numbers of organizations, institutions, associations, founds, banks and Agencies like :

- (I) Industrial east corporation
- (II) Self employment fund
- (III) Promotion fund for electronic Industries
- (IV) Industrial Information institute
- (V) Engineering constancy service institute
- (VI) Micro guild business organization (affiliated to Ministry of commerce)
- (VII) Bank of Industry and Mine
- (VIII) Iran Industrial Engineering of Inspection Institute
- (IX) National Industries Organization

The most users of service of the above organization and institutions are mostly small Sized enterprises and few medium sized enterprises.

Here, I explain in brief , the main activities (duties) of those 9 particular organization And fund which I named before .

(I) self employment fund : it fund established on 1992 regard promoting the self-employment activities in Iran . he main sources of budget is government direct financial assisting, banks contributions and etc. The main activities are :

- (a) Direct loan payment to person/s who has/have business plan,
- (b) Direct or partly investment in starting up build factory and business development which in results creating some new employment,
- (c) Technical and marketing assistance to self-employers.

(II) Micro Enterprise (guild business) organization : as it is mentioned in chapter 3 of SMEs strategy studies, there are more 33000 micro Enterprises in Iran which their activities can be divided to manufacturing, Hole sale , servicing, repairing etc...

The mentioned organization' main activities (duties) are :

- (1) Issuing business certificate
- (2) Assisting micro (guild) enterprises to get loans from financial institute
- (3) Providing scare raw materials and imported raw materials and Components
- (4) Providing welfare security for employees of micro enterprises

(III) National Industrial organization of Iran : this organization established in 1980 after Islamic revolution in Iran numbers of owner-managers of most medium sized manufacturing enterprises left Iran and those enterprises nationalized by government . The main activities of mentioned organization was :

- (a) to maintain new managing directors or director boards for
- (b) protecting business activities in particular firms

But unfortunately these organizations acts very independency & there is no any particular organization (just like SMEs Agency) to cover and supervising those bodies activities .

According to most countries SMEs strategy , there is only an unique body (either government owned body or corporation ownership) which look after SMEs activities i.e there must be a unique decision box or Agency and also I agree with you that there must be a particular policy preparatory council for SMEs policy formulating. (which you have shown in exhibit 11:4 , 11:5)

one of a big problem is absence of total specified vision for SME sector in TFYP.

We found some " mission" regard SMEs but not vision . we did not define in TFYP where the SMEs has to go (or to reach) . I think at first we must design

the some scenario for SMEs i.e the vision can be divided to some particular scenario like exact share of SMEs in total country's export, vital role of SMEs in job creation , high value added production independifying potential sector for adopting practice specify policy and programmes either (for instance in Malaysia when policy makers were planing vision and strategy for SMEs sector , they have indentified some particular sector as potential sector as the main sectors for rapid development of SMEs i.e electronics , machinery , engineering industries and chemical , so on the base of economic researches and studies they (policy makers) found that for those particular sectors "vision" and "mission" has to be formed . This matter has been decided on 1980, like IT , on that base , specified models like Sub-contracting , joint venture FDI , bay back , under license manufacturing were Formed.

So, my suggestion in this particular subject is that we must go more in detail about the what are lost in SMEs "vision" in TFYP and what more the government must Bring in present vision to make more practice and with more output . (policy making should keep in mind that process of globalization WTO is not waiting for Iran.

Since many years the sub-contracting & partnership between LE s and SMEs Are existing , but in some countries i.e Taiwan, Japan, USA, India, Spain, France , And Italy , there is a practice module of corporation between LE s and SMEs Which is called "Holding" , the Holding companies contains many Micro, Small, And Medium enterprises which those SMEs are working (i.e from buying raw Materials, components, manufacturing, advertising, selling and etc. under guidance Of managing director board . So, since, the trend of incoming forigen investors Shows increasing, the Holding companies can be as a good attractive partners for Foreign investors . More, the capability and other factors in Holding companies to Approach international markets or joining to global trade is much better to other LE s or SMEs.