

CHANGE ATTITUDES, BUMI BUSINESSMEN TOLD

Dr M's advice

By P. GUNASEGARAM

PRIME Minister Datuk Seri Dr Mahathir Mohamad urged Bumiputera businessmen and entrepreneurs yesterday to change their attitudes and not rely too much on the Government, and to tighten their financial discipline.

In a dialogue with Bumiputera businessmen and entrepreneurs at Bank Negara, Datuk Seri Dr Mahathir said the Government, on its part, will look into their proposals, including programmes and procedures to assist Bumiputera entrepreneurs.

According to a communique released by Bank Negara after the dialogue, the Prime Minister also urged the financial institutions to be sympathetic to the problems of Bumiputera entrepreneurs and to assist them

where possible.

He also urged banks to establish procedures for the establishment of special rehabilitation units and added that there should be more training of credit officers and staff engaged in reviewing the problems of Bumiputera entrepreneurs.

According to the communique, the dialogue considered proposals by the Malay Chamber of Commerce and Industry for a two-year moratorium on loans repayment and the creation of a special revolving fund to assist Bumiputera entrepreneurs in difficulties.

It also discussed the review of the proposed legislation similar to the US Chapter 11 for the protection of companies in financial difficulties, the creation of a second board for Bumiputera

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entrepreneurs and the review of tender procedures to expedite payments to Bumiputera entrepreneurs.

The dialogue was a follow-up to a recent decision of the Finance Minister for Bank Negara to look into problems faced by Bumiputera businessmen and entrepreneurs.

Present at the dialogue, which was chaired by the Prime Minister, were Finance Minister Daim Zainuddin, his deputy, Senator Mohamed Farid Ariffin, and Bank Negara Governor Tan Sri Jaffar Hussein.

Representatives from various ministries and government agencies, Mara, Bank Pembangunan, the Credit Guarantee Corporation, Bank Rakyat, the Association of Banks in Malay-

sia, the Association of Finance Companies in Malaysia, and the Association of Merchant Banks in Malaysia were also present.

The 36-member delegation from the Malay Chamber of Commerce and Industry of Malaysia led by its president, Dr Nawawi Mat Awin, comprised representatives from each state chamber, the professions, housing developers, bus companies, timber industries, small traders and rice traders.

Over the last two years, following the downturn in the economy, businessmen have complained that banks and other financial institutions were pressing them too hard for repayments and were unsympathetic towards their financial problems.

Many of the businessmen lobbied with the Government to persuade the banks to reduce the pressure on their customers. Among measures that have been proposed by Bumiputera businessmen in the past are a moratorium on loan repayments, banks taking an equity stake in their businesses for a period of time and more sympathetic consideration by the banks to problems faced by the Bumiputera entrepreneurs.

While banks have resisted proposals for a moratorium on loans, all of them have been told by Bank Negara to set up special rehabilitation units to look into problem loans and provide assistance and professional advice to businesses in financial difficulties.