

PM tells Bumi traders to go for long-term gains

NSR 13 OCT 1990

By Ahmad A. Talib

KUALA TERENGGANU, Tues. — Datuk Seri Dr Mahathir Mohamad said today Bumiputera businessmen can never achieve the target of acquiring at least a 30 per cent stake in the economy even if the New Economic Policy (NEP) was extended to 1,000 years as long as they fail to reinvest their gains and develop good business habits.

The Prime Minister said Bumiputera businessmen should plan their ventures towards long-term gains and not for short-term profits.

Buying shares allocated to them and then selling them to non-Bumiputeras at the first sign of profit would undermine the Government's efforts to promote Bumiputera investments.

In dispensing his basic common sense approach to business management, Dr Mahathir said one must be trustworthy and be committed to one's venture.

They should not develop bad habits such as late loan repayments and non-compliance with other rules and regulations.

Dr Mahathir said this at the opening of a seminar for petty traders and hawkers organised by Bank Bumiputra Malaysia Berhad. He was accompanied by his wife, Datin Seri Dr Siti Hasmah Mohamed Ali, Menteri Besar Tan Sri Haji Wan Mokhtar Ahmad and Minister in the Prime Minister's Department Datuk Dr Yusof Nor.

He said: "The Malay business community should prevent being labelled as bad debtors. Such a dubious reputation would not help them in promoting their business interests."

The Prime Minister said small businesses were part of the Malaysian business culture. Partly for this reason, the small business community would continue to thrive and the Government would continue to provide facilities to help

them improve.

Financial institutions too have provided a lot of funds for small businessmen but this did not mean that the banks would dish out loans just to satisfy the small business sector.

Dr Mahathir said: "Small businessmen, or for that matter all businessmen, should realise that the money in the banks is not the bankers' money. It is depositors' money. That is why banks have to be judicious when giving out loans for business ventures."

The Prime Minister said managing businesses had changed from just a simple exercise of buying cheap and selling high. The growing sophistication in business should not deter small entrepreneurs.

Instead, seminars such as the one he officiated should help these businessmen increase their know-how and compete effectively. Small businessmen must one day develop their businesses into big corporations, and they should pre-

pare themselves well for this eventuality, he said.

He listed several ingredients if small businessmen wanted to progress in their ventures — be trustworthy, never be guided by greed, be prepared to make personal sacrifices and work hard.

Dr Mahathir said: "Being trustworthy in business is basic. When one is trustworthy, one has a better chance to succeed. As for greed, one should be prepared to have small profit margins but make this up with big sales volume."

"Of course one should sacrifice some basic comforts in the early days of business. When the business thrives, however, one should not seek gains by sacrificing others' interests."

His experience from selling *goreng pisang*, ginger water drinks and firewood in his childhood days gave him the credentials to speak on the matter, the Prime Minister said.