

Dr M: Conservative policies could lead to stagnation

Banks told to support innovators

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By Jeffrey Ramayah

KUALA LUMPUR, Mon. — Banks must learn to recognise and support innovators, Datuk Seri Dr Mahathir Mohamad said, adding that entrepreneurs who have the vision, dynamism and the spirit to fight against all odds should not be overlooked.

The Prime Minister said efforts should also be directed at promoting new industries, particularly those using innovative and new ideas.

In business, success cannot always be attained simply by repeating what has been done successfully, he added.

Dr Mahathir was speaking at the opening of the 'Project appraisal and risk analysis management for bankers' programme at the Petronas Management Training Institute in Bangi.

Dr Mahathir also highlighted the need for banks to maintain the honesty and integrity of their officers.

He said professional skills and technical competence were necessary ingredients for success but "on their own, they are not sufficient".

"We need honesty and integrity in our bankers. Indeed, I

would go so far as to say that the fruits of our labour in sustaining economic growth in the past three decades would come to naught if there is a widespread absence of these fine human qualities in our bankers, businessmen and the people as a whole.

"The managers of our financial institutions in particular, as mobilisers and custodians of public savings and the channel to provide the oil for the wheels of our economy, are expected to display the highest integrity and sense of honesty in their endeavours."

The Prime Minister stressed that the economies of nations will stagnate if there are no

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new ideas or approaches to business.

"Bankers tend to be wary and unsupportive of new things."

They had to be more adventurous by providing venture capital for selected projects, he said, adding that they should not depend exclusively on collateral and track records when assessing business propositions.

On the other hand, those people with innovative ideas and products must understand that knowing how to do or make things did not mean that a profitable business would result if the capital was made available.

"If there are rich inventors, it is because somebody else took their inventions and marketed them.

"Left to themselves, inventors can only fiddle in their laboratories."

The Prime Minister said risk analysis should not be confined to quantitative and tangible factors only and indeed the borrower's character should be of paramount importance.

Besides the borrower's character, Dr Mahathir said, another important factor should be customer loyalty because people do not easily forget those who deny them aid in times of need.

Expanding his thoughts on bankers' integrity and honesty, the Prime Minister said those who engage in fair dealings would prosper.

Dr Mahathir said businessmen should keep their promises because it was the right thing to do and not because it was good business.

He felt that any society that was not built on trust cannot last, adding that he could find no other way than conscience to explain why trust is the best basis for any business relationship.

A total of 62 participants including some from other Asean countries are taking part in the three-week residential programme which is tailored to suit the need of professionals in banks and financial organisations.

The programme is jointly organised by the Institute of Bankers Malaysia, the Harvard Club of Malaysia and the Harvard Institute for International Development.