

Mahathir to bankers: Get out of safe cocoon

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DATUK Seri Dr Mahathir Mohamad wants to see the bankers getting out of their comfortable "safe cocoon" and venture into the exciting world of creation.

The Prime Minister said they must be more supportive of innovators in the business field when appraising their projects, particularly from entrepreneurs with the vision, dynamism and fighting spirit to follow through with their ambitions.

He said bankers, as custodians of public funds, were expected to be conservative.

"But there are times when there is a need for bankers to be more adventurous and be more forthcoming with venture capital or seed money for selected projects that badly need and deserve financial assistance.

"In short, I would like to call on banks to practise innovative banking to support local entrepreneurship.

"I am sure this can be done without undue sacrifice of traditional banking prudence."

He added that "the taking of calculated risks and prudence are not incompatible."

Dr Mahathir was speaking at the opening of the second executive programme on project appraisal and risk analysis management at Bank Negara in Kuala Lumpur.

He said a banker must put his special skills in project evaluation and the management of risks to bear on the financing of creating enterprises where ideas and not physical assets formed the collateral; where project feasibility was sufficient ground for

him to commit his bank and where the longer-term interest of the bank overrides short-term gains.

The Prime Minister also stressed on the importance of human resources development in nation-building.

He said the nation's industrialisation, spurred on by the influx of foreign investments, needed more sophisticated and skilled appraisals to ensure that the investments were commercially viable.

"Manpower plans should address skills shortages, staffing needs, career development, attitude change and productivity," he said.

"Emphasis should be on building the level of professionalism and enhancing the quality of the labour force."

The Government, on its part, would continue to upgrade the facilities to provide an educated and trainable workforce with skills in science and technology, Dr Mahathir said.

He outlined the guidelines for excellence which he said should be adopted by the government and private sector:

- Train your own manpower;
- Improve their understanding of economic fundamentals;
- Equip them well to cope with changing tasks and changing times;
- Look after their interests;
- Upgrade their skill;
- Manage them well; and
- Reward them for their contribution.