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Keng Yaik-Banks

KENG YAIK RAPS LOCAL, FOREIGN BANKS FOR CREDIT SQUEEZE

KUALA LUMPUR, June 19 (Bernama) -- Primary Industries Minister Datuk Seri Dr Lim Keng Yaik has hit out local and foreign banks for imposing a credit squeeze.

Based on information received, only a few Malaysian banks were maintaining their credit growth between 15 and 20 per cent while the foreign ones had stopped giving out loans.

"Last time, the banks allowed 20 to 25 per cent credit growth. Now it is zero. They are the ones who have taken our people's deposits and now they refuse to lend. Are they sabotaging our economy...you think about that," said Dr Lim, who is also Gerakan president.

During the boom period, the banks were lending as though "there was no tomorrow" but now they had imposed a squeeze when credit was needed.

"I think they are extremists. Giving too much and then not giving at all. I think they are profit-oriented...they must do a service," he told reporters after attending the opening of the 52nd Umno General Assembly by Prime Minister and Umno President Datuk Seri Dr Mahathir Mohamad here today.

On the economic turmoil, Dr Lim said Malaysia must seek new ways to do business and the people should buy local products.

"We must bring back capital into the country and mobilise "dead capital" like gold, jewellery and other assets," he said.

He said speculative fund managers and banks have a market value that was far larger than that of Malaysia, Thailand and Indonesia combined.

"The people must fully understand the actual situation that lead to the turmoil and support the government to fight "financial hegemony," he said.

He said those who have the financial power may not have to use weapons or atomic bombs to institute "hegemonism" but "they can come out with all sorts of new ways like liberalisation and globalisation."

Malaysia and its neighbours' efforts to ease their financial burden through barter trading and the use of local currencies for trade have met with criticisms.

Malaysia and China had wanted to barter 350,000 tonnes of palm oil with two million tonnes of corn and this had caused uneasiness among some groups, he said.

"Already, the US Maize Board is making derogatory remarks about the exchange and is raising (racial) issues which have nothing to do with corn and palm oil.

"Analysts are also criticising and some of them had wanted to report the exchange to the World Trade Organisation (WTO)," he added.

-- BERNAMA

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