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Loan seekers can refer problems to BNM, says Anwar

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BORROWERS facing problems securing bank loans can approach the Loans Monitoring Unit of Bank Negara's Bank Regulations Department, Deputy Prime Minister and Finance Minister Datuk Seri Anwar Ibrahim says.

"Anybody can just call or walk in... the unit will determine the reasons for of any loan delay or denial," he said in an impromptu address at the "Financing to Productive Sectors Dialogue" hosted by the Chinese Chamber of Commerce in Kuala Lumpur yesterday.

It is understood that the unit has been in existence for several years ago and is tasked with handling claims, enquiries and complaints.

Anwar stressed that with RM478.5 billion in total loans available this year, there is no reason why banks should curtail lending.

Many complaints were received towards the end of 1997 but this was understandable as that was when credit growth at its heights and banks had to slow down the activity, he said.

"Now everything is quite okay... it is time again to give out loans to the productive sectors..." Anwar added, noting that because of the various measures taken by the Government, confidence has revived over the past two weeks.

In line with the policy decision contained in the 1998 Budget, credit growth will be capped at 15 per cent this year, down from 30 per cent in 1997 when total lending amounted to RM420.4 billion, he said, adding that "credit will still increase, but at a slower pace."

Of course, an increase in interest rates cannot be ruled out, "as you know, they have been rising," Anwar said.

The people have to accept that interest rate adjustments is a policy option in facing the problem of excessive credit expansion, but the rates' movements cannot be taken in isolation as regional developments have to be taken into consideration.

"The option is with Bank Negara... to determine the effectiveness of the monetary regime," Anwar added.

Calling on banks in the country to be more transparent when processing loans, Anwar said the sector is in a reasonably "comfortable position" compared to some of the other countries in the region.

The important thing is to improve the management of some of the banks, to further boost confidence in the economy. Here, fortunately Malaysia has the advantage of political stability, he said.

On the International Monetary Fund's recent assessment of the country, Anwar said Malaysia takes the fund's views seriously.

"We talked to them because they are the experts. But of course we agreed on some points, disagree on others... because we do not borrow from them or seek any bailout, there is no harm in talking."

He also said that the foreign funds appear to be back. "Key fund managers from around the world are seen in the market and some major corporations are taking steps to move their headquarters to the country... they are doing it right now."

Anwar reiterated that he was confident the country's economic problems would be resolved quite soon.

"Prime Minister Datuk Seri Dr Mahathir Mohamad asked me whether it will take three months, six months or two years.

"I replied that six months is a reasonable timeframe, six is an auspicious number," he said in jest.

"I am not a banker or economist. I am simple Penang kampung boy but I know that we are sincere in our direction, we are clear in whatever we do and we are firm."

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