

09/11/1998

Mustapa to meet bankers, traders over credit complaints

Sreerema Banoo

SECOND Finance Minister Datuk Mustapa Mohamed will today meet with banks and representatives of the private sector over complaints about difficulties in securing loans.

Mustapa, who is also Entrepreneur Development Minister, said he will meet with officials of the various associations to thrash out the matter.

"The meeting look into the specifics of the complaints," he told reporters after opening a conference entitled National Economic Recovery Through Life Insurance Savings in Kuala Lumpur yesterday.

Despite the easing of monetary policy and increased liquidity in the banking sector, the private sector continues to complain that bankers are "overly" cautious about giving out loans.

"We are concerned that genuine entrepreneurs and viable businesses are not getting access to financing," he said.

The credit growth rate at present is 4.5 per cent compared to the 8 per cent target set by the Government for the year, he added.

Prime Minister Datuk Seri Dr Mahathir Mohamad had on Saturday urged financial institutions to make it easier for the private sector to get credit.

Mustapa said in the nine months since the setting up of the Loans Monitoring Unit at Bank Negara, some some 400 complaints have been received, of which about 100 have been satisfactorily resolved.

Earlier in his speech, he said the selective currency exchange rate controls and the easier monetary policy have revived confidence and optimism in the country.

This, he said, can be seen from the RM6.29 billion trade surplus recorded in September, the highest this year, and the better than expected increase in the foreign exchange reserves since August by US\$3 billion (US\$1 = RM3.80).

Meanwhile, he expressed confidence that the target of having at least 50 per cent of the population covered by insurance can be achieved by the year 2000.

(END)