

Why Bumis not keen to venture into retail sector

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IN POLITICS, Malays may go for broke. But in business, they may not be risk-takers especially in the retail business which is not a traditional venture among the community.

It is the fear of the unknown. Without sufficient preparation in terms of capital and knowledge such as the marketplace, they know such a venture would not be an act of bravery but stupidity. Suicidal even.

Also, of not knowing where their next pay cheque will come from unlike the salary earner, who goes to the automated teller machine (ATM) at the end of every month to check whether his pay has been banked in.

"If I had been slightly more adventurous, I would have gone into business," a Malay executive, earning a four-digit income, said.

"I am a little conservative. My late grandfather and late father were government servants. My late father wanted me to enter the civil service because of the job security it offers.

"I decided otherwise ... still a salary earner but with the private sector," he said.

International Trade and Industry Minister Datuk Seri Rafidah Aziz offered this explanation as to why Bumiputeras are not interested in retail business.

"The retail business is not a traditional venture among the Malays," she told Business Times at the sidelines of the 54th Umno General Assembly yesterday. "It has to be nurtured," she added.

On Thursday when opening the party's general assembly, Datuk Seri D1 Mahathir Mohamad said Bumiputeras are not interested in retail business which requires their direct involvement even if this can push them up to the middle-class level.

Rafidah said one way of nurturing the Bumiputera retailers is through the franchise system. "Not to say that it is easy but it is one of the fastest way to groom retailers who would have the competitive edge

to stay alive in the business.

"If there are Bumiputeras who really believe in the franchise system and confident that the retail business is a viable effort, there are already Government support programmes which are available to back them up.

"We also have entrepreneurial training programmes, financing packages and other assistance. They have to decide if this is for them," she added.

The retail sector is lucrative especially with increasing consumer demand amid the economic recovery.

A former bank officer turned part-time businesswoman, who rented a stall at the foyer of the Putra World Trade Centre during the assembly, said there are many like her who are interested in doing business but do not have the capital to do so.

"I do this for fun, not for the money. Last year when I took up space here to sell some household products, I made a little profit. Those selling textiles were making a whole lot more.

"So, if you say there are no business to be made here or anywhere, then you are wrong," she said.

She said she understands only too well the problems faced by Malay entrepreneurs, especially the small-time operators.

"The policy makers are saying one thing and the banks are doing another. What they decide at their level is not filtered down and implemented by those who are supposed to execute the policy.

"I worked in a bank before, handling all these entrepreneur funding schemes and I know it is not easy to get. Some applicants cannot meet some of the rigid requirements, such as collaterals for fixed deposit," she said.

Kafidah acknowledged the problems faced by Malay businesses in seeking financing, saying that financial institutions need to be flexible when approving loans.

"We have received such feedback. Maybe we should sit down with the financial institutions to find out whether the existing procedures are really too rigid or whether flexibilities can be introduced.

"This does not mean that it will be easier to get the loans but (the procedures) will be simplified," she explained.