

# Dr M: We need bankers with entrepreneurial flair

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'The country needs bankers whose umbrellas are ever present, come rain or shine, so that they can be relied upon as true partners in national development'

**By KAMARUL YUNUS**

MALAYSIA needs entrepreneurial bankers, not merely money lenders, who are experts in managing risks and not afraid to take calculated risks, Prime Minister Datuk Seri Dr Mahathir Mohamad said.

"The country desperately needs bankers whose umbrellas are ever present, come rain or shine, so that they can be relied upon as true partners in national development. Bankers must lend and lend prudently. That is their business and they should be good at it.

"However, lending based on collaterals of equal or higher value speaks not of prudence but of primitive banking skills among bankers," he said in his keynote address at the three-day Conference on Central Banking and Sustainable Development in the 21st Century in Kuala Lumpur yesterday.

The Prime Minister said he is worried that Malaysian banks still possess the culture of "taking the umbrella away when it rains".

"They are still far too risk-averse to be able to effectively play their real role in nurturing recovery and pushing forward the development process.

He said a significant part of new credit has been directed at the "blues" (blue-chip companies) and other large corporations which do not really need them. In this regard, those in the need are often denied, he added.

Dr Mahathir also said bank lending has been a drag on the economy, instead of leading it.

He noted that after five quarters of consecutive positive gross domestic product growth, the last three being rather rapid, net lending by the banking system remains indeterminate, or sluggish at best. The flow of money supply and bank liquidity are still generated from external sectors.

For instance, he said, collateral lending is still far too prevalent, even for the most viable of ventures.

"Big projects, I am afraid, have little hope of being fi-

nanced, and bankers remain extremely guarded with even good projects involved in the new economy.

"I am told that many bankers are ill-prepared to venture into venture capital-type proposals or, for that matter, incubators.

"As I see it, bankers worry far too much about their bottom line at the expense of the real intent of their very existence. Some even pat themselves on the back, regarding themselves as good bankers simply because they consider it prudent in lending out only 50 to 60 per cent of the deposits mobilised," he said.

To businessmen, Dr Mahathir said it must be recognised that for business ethics to make good economic sense, it has to be integrated into the overall values of workers and professional personnel, integrity, competence, efficiency, selflessness and hard work.

"In the end, this means that businesses will say what they think make good business ethics, do what they say, and be what they do.

"This should encourage a whole new level of social responsibility and accountability for businesses and entrepreneurs as they look forward to meet new chal-

lenges in the new millennium.

"We need this to achieve the high quality which future generations of Malaysians rightly deserve. We need this if Vision 2000 (Malaysia's ambition to become a developed country status in 20 years' time) is to be achieved," he said.

Responding to a question from the floor, Dr Mahathir said to sustain business, the entrepreneurs need to deliver and understand the need of the customers.

"If they take care of their customers, they will continue to have clients for a long time. This is why business ethics is crucial," he said.