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Foundation looks to the future

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SEVENTEEN years after its re-birth, Malaysian Islamic Economic Development Foundation (YPEIM) can be proud of its achievement in helping the hardore poor and supporting petty traders.

Under the patronage of the Prime Minister, YPEIM was set up in 1976, but it was only after it was re-launched in 1984 by Datuk Seri Dr Mahathir Mohamad that the foundation finally got down to serious business.

Director-general Dr Abdul Malek Awang Kechil said in line with its objectives, YPEIM had drawn up a masterplan which consists of two phases.

"Under phase one, covering the first 10 years, we managed to overcome the hurdles and obstacles. When we outlined all the plans that we wanted to be involved in, we knew that we will face difficulties.

"And now that we are almost at the end of the second phase, all the hard work has paid off," he said in an interview recently.

Abdul Malek, who has been with YPEIM since 1985, said he envisaged the foundation playing a more prominent role in the local corporate scene.

At the same time, YPEIM would also continue to focus on its mission of budaya amal jariah or charitable activities, he added.

He said YPEIM will also boost all the schemes and programmes under the foundation to ensure its target groups will get easy access to finance their businesses.

One of the scheme that will be enhanced further is the Ar-Rahnu or Islamic pawn scheme, said Abdul Malek.

The scheme, a short-term financing scheme, enables the target groups to receive loans much faster, he added

"For example, for those who might require loans of RM5,000, they can get the money quicker through this scheme."

Ar-Rahnu was originally introduced as a joint effort between YPEIM and Bank Rakyat in 1993 to help those in need of financial aid.

Currently the scheme is being offered at 150 branches of YPEIM, Bank Rakyat as well as Bank Islam.

Abdul Malek said as at April 30 this year, the scheme has 626,000 customers with total loans disbursed standing at RM576 million.

"We plan to have 400 branches by 2005. However, it will depend on funds as we need to invest about RM200 million for this," he added.

Abdul Malek said more customers were attracted to the Islamic pawn scheme as the repayment period is not as stringent as those imposed by financial institutions.

Also, should there be any default resulting in the pawned item being auctioned off, any proceeds above the pawned amount is returned to the customer.

Abdul Malek said the success of the Ar-Rahnu scheme has attracted foreigners in asking YPEIM to set-up a branch in their country.

"We have been ask to set up Ar-Rahnu branches in Cambodia, Thailand, Indonesia as well as the Philippines.

"However, for the moment YPEIM is not ready to embark on this project. We have decided to become the consultant and train their officers at the Ar-Rahnu training centre," he added.

Abdul Malek said YPEIM will also boost its community excellence programme, which was launched two years ago.

He said currently there are 10 community centres set up nationwide adding that YPEIM plans to set up another 13 depending on demand and

needs.

"We plan to package services as what are needed by the community, it will include providing training for those who want to set up a business as well as education package for the students."

Abdul Malek said YPEIM will also offer its schemes at the centres if and when it is needed.

"We might have the Ar-Rahnu scheme at the centre if they want it. Or if they are in need of the Urban Business Trust Scheme, we will also provide that scheme at the centre."

He added the YPEIM had followed the Government in implementing Vision 2020, whereby by that time, the foundation will become an institution which is relevant to a developed country.