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PUNB clears air over Prosper plan

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MORE than a year ago the Prime Minister Datuk Seri Dr Mahathir Mohamad launched a scheme for Bumiputera retailers with high hopes it would be just the medicine needed to bring these businessmen out of the doldrums.

The "Program Usahawan Bumiputera dalam Bidang Peruncitan" or Prosper scheme for Bumiputera retailers, however, has fallen short of target.

Today, there are complaints the scheme is not doing enough to boost the number of Bumiputera retailers - despite the high-profile publicity given during its launch.

It is being argued that the Perbadanan Usahawan Nasional Bhd (PUNB), the body entrusted by the Government to manage and implement the scheme, is taking too long to produce any tangible results.

PUNB chief executive officer Mohd Nasir Ahmad however said the scheme's target, which is to create Bumiputera entrepreneurs in middle-level retail businesses in places such as shopping complexes and shophouses, could not be achieved in a day.

Under the scheme, would-be entrepreneurs will be given financial assistance, training and premises to help them make a head start in retailing.

As of Monday, the PUNB has approved 79 applications out of the 394 submitted, with 48 outlets already operational.

The small number of approved application would definitely raise eyebrows in certain quarters, considering the total number submitted.

In an interview with the New Straits Times, Mohd Nasir said the PUNB was being cautious to ensure only those with a genuine interest in running a business were accepted for the scheme.

This is to ensure that the focus of Prosper will remain, "on the quality and not the quantity" of businessmen created.

Mohd Nasir said many of the applicants were unable to comply with the PUNB's requirements.

Among other things, candidates for the scheme must submit a convincing business plan, secure 10 per cent of the total capital needed and undergo an aptitude test to measure their inclination in running the whole setup.

Once the PUNB is satisfied with the candidate's ability to fulfil the minimum requirements, the individual will be interviewed by a selection panel to ensure that he fully understands the plan submitted.

"We are stringent in the sense that we want to see a business proposal that is viable and can survive and continue as an ongoing concern," he said.

This is important as the successful entrepreneur will be provided with 90 per cent of the capital needed to start the business without any need for collateral.

The PUNB provides 30 per cent of the loans and Maybank the remaining 60 per cent.

The loan is between RM250,000 and RM300,000 - depending on the type of business.

While the number of approved applications at this initial stage is small, Mohd Nasir gave an assurance the PUNB was making efforts to get more in.

By next year the corporation hopes to approve four to five proposals a week, which would total up to between 200 and 250 proposals annually.

"I think we don't want to go too fast and create numbers that will end up as failures.

"Then it does not reflect very well on the scheme, because we are concerned about creating quality entrepreneurs that can stand up and go far."

Once the retail outlets have reached a certain level of profitability, the entrepreneurs will be able to gradually buy it back from the scheme.

The PUNB hopes the recovered funds can be used to start the cycle once again and ultimately help more Bumiputera businessmen establish themselves in retailing.

"We are working on the basis that the project will be ongoing for quite some time."

When asked whether the PUNB was facing any obstacles in implementing the scheme, Mohd Nasir said there was some difficulty in making the candidate understand the bureaucratic process he must go through to start a business.

"We are making them create Sendirian Berhad companies, so they must understand what it means to have such a company in terms of having a certain number of directors, a proper record, R.O.C registration and so on."

Although some found the process tedious, he said it was important for the Bumiputera businessmen to be exposed to this as part of their training process.

"Through our workshops and training programmes, we are explaining to them why we are doing things in a certain way."