

Guide SMIs, PM tells financial institutions

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FINANCIAL institutions have been told to guide small and medium-sized industries (SMIs) in line with the smart partnership concept besides offering them loans.

Prime Minister Datuk Seri Dr Mahathir Mohamad said financial institutions should fulfil their social obligations by offering expertise in finance, management, technical and services to the SMIs.

Replying to questions raised by Muhammad Mustafa (Keadilan • Peringat) and Lim Bee Kau (BN • Padang Serai), Dr Mahathir said the Government had set

up 47 types of funds totalling RM15.6bil under various financial institutions and commercial banks to entrepreneurs and small traders.

He said the Government was not biased in offering the loans as anyone from entrepreneurs to small traders, rural or urban, were included.

“The Government is satisfied with the operation of such funds but it is hoped that the efficiency in processing the applications can be further improved,” he said.

Dr Mahathir said there were often complaints about

financial institutions being slow in processing the loans, not giving priority to SMIs or applying similar criteria while assessing applications from big entrepreneurs and SMIs.

“If the same assessment is used, surely the SMIs will not qualify for a loan,” he said.

Dr Mahathir said the Government was aware that the numerous funds might hamper effectiveness in terms of administration and monitoring.

“A team formed under the Economic Planning Unit is studying on the possibility to

merge and rationalise all the funds.

“This is to reduce confusion among applicants and to help them obtain loan in an easier way,” he said.

Replying to Datuk Dr Yusof Yacob (BN • Sipitang) who said many new entrepreneurs faced difficulties in seeking loans, Dr Mahathir said fresh graduates should gain experience by working for other companies for a few years before starting business.

“No one would want to offer you any loan if you are without experience,” he said.