

SMLs hail Dr M's advice to banks

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BY DEVID RAJAH

KUALA LUMPUR: Groups representing small borrowers have lauded Prime Minister Datuk Seri Dr Mahathir Mohamad for looking into the plight of small businessmen.

"We welcome Dr Mahathir's remarks in hitting out at banks which have been ignoring the small people," said Indian Chamber of Commerce and Industry Selangor president P. Muguntha.

Muguntha said many small businessmen had turned to loan sharks for financing as a result of the banks' attitude.

"Instead of building up their businesses, these people end up paying hefty interest to the loan sharks who probably rake in billions of ringgit collectively," said the chamber president.

He hoped all commercial banks would heed Dr Mahathir's advice and start offering loans to people in small businesses.

"We will submit our findings on the loan shark problem to the Prime Minister," he said.

He added that the chamber would hold a seminar on the dangers of seeking financing

from loan sharks.

Those interested can contact Muguntha at 012-398-4444.

On Saturday, Dr Mahathir said local banks should set up special sections for small borrowers and small and medium-scale industries.

Exporters Club president Abdul Kabur Ibrahim said many small traders had claimed they did not have the time to have their applications processed by banks because of the bureaucracy and procedures adopted by these financial institutions.

He said small traders needed funds fast to settle immediate cash-flow problems.

Due to the nature of the loan process, he said most traders failed to comply with the requirements set by the institutions.

He said many traders also felt that banks were heavy handed and autocratic when it came to processing loans.

The banks had to realise that SMLs were the backbone of the country's economic growth, he added.

Kabur said his company would be doing a nationwide survey to determine the extent of the problem.