

21 JUL 2003

AGRICULTURE-GROWTH

AGRICULTURE SECTOR HAS POTENTIAL TO BETTER 1.5 PCT GROWTH TARGET

KUALA LUMPUR, July 21 (Bernama) -- The agriculture sector has the potential to better Bank Negara Malaysia's (BNM) 1.5 percent growth target this year due to the funds allocated under the economic stimulus package announced by Prime Minister Datuk Seri Dr Mahathir Mohamad in May.

According to BNM, the agriculture sector, which included agriculture, forestry and fishery, grew by 0.3 percent in 2002.

"If we work hard and get the people to understand that this package is viable to them, I think we should be able to reach or even exceed it (growth target)," Minister of Agriculture Datuk Dr Mohd Effendi Norwawi said today.

In the next three to six months, some significant progress was expected in the agriculture sector, he told reporters after officiating a seminar on "Business Opportunities and Briefing on the Economic Stimulus Package for Agriculture Sctor".

The government had channelled RM500 million to Bank Pertanian Malaysia to assist small and medium entrepreneurs under the micro credit scheme.

As of July 13, 2003, Bank Pertanian has approved 9,724 applications valued at RM121.90 million, surpassing its target of RM100 million within the first three months since the package was announced.

The government allocated another RM200 million to the Amanah Ikhtiar Malaysia (AIM) fund, which is under the supervision of Bank Pertanian, and another RM300 million to Bank Simpanan Nasional to finance projects which were not agriculture-related.

The government has also set aside RM1 billion to the Fund For Food (3F) and agriculture sector, and the Small and Medium Industries Fund set up in 1998, now has a total of RM3.7 billion including an additional RM600 million under the stimulus package.

Mohd Effendi said the ministry and its agencies were going all over the country to explain about the micro credit scheme to the people given that there was a lack of information, especially in rural areas.

"Currently, people are used to a different kind of credit, especially in the rural area, they are used to middle men. We have to make them go through proper channel where there is transparency and fair to them," he said.

He said entrepreneurs should review their projects and conduct a feasibility study on what they need to do in order to upgrade and expand their businesses or projects by using the latest information.

He suggested that they use the business development centre at the ministry which has a lot of information including feasibility study models.

By using the latest technology, he said entrepreneurs would be able to produce competitive products in terms of cost and quality.

He said that entrepreneurs should make sure their projects had adequate cash flow, so that they would be able to pay back their loans.

Explaining the 3F fund, Mohd Effendi said: "We want the RM1 billion allocated to 3F to be used up. But I must say the take-up rate for the loan is not greater than it was before."

He said the Agriculture Ministry was concerned over the slow take-up rate.

"As such, we expect some feedback from the people on the problems they are facing in getting the loan," he said.

On today's event, he said the ministry was happy that the Malaysia

Agriculture Entrepreneurs Club and Malaysia Rural Industry Entrepreneurs Chamber took the initiative to explain the stimulus package to their members.

He said the Agriculture Ministry also took the opportunity to tell the participants about investment opportunities available in the country. --

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