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BANK-SMI

LESSEN TIME TO APPROVE LOANS TO SMIS, SAYS JAMALUDIN

KUALA LUMPUR, Jan 21 (Bernama) -- Commercial banks, which have been asked to provide the "SMI Window," should reduce bureaucracy matters in approving loans for small and medium industries (SMIs) so that the funds could be disbursed quickly to spur the country's economy.

Second Finance Minister Datuk Dr Jamaludin Jarjis said that the banks should ensure a shorter "time-to-market" so that the funds could be channelled to small-sized traders for economic activity.

He said that SMIs, which are part of the private sector, were needed to drive the country's economy forward.

Jamaludin said that a loan approval, which took up to 12 months, would affect the efforts to generate economic activity.

"What is the point of applying (for a loan) today, and getting approval only 12 months later. We want the bank to expedite the SMI loan process," he said at the Bumiputera Manufacturers Association Malaysia annual general meeting, here today.

Jamaludin reiterated the call made by Prime Minister Datuk Seri Dr Mahathir Mohamad for banks to provide equal treatment to small and major borrowers.

In line with this, Jamaludin said that Bank Negara Malaysia has been asked to monitor the performance of the commercial banks in disbursing loans to small-sized businesses and to provide a special quota for the SMIs.

He said that the commercial banks should submit a monthly report to Bank Negara Malaysia (BNM) concerning the loans given out to SMIs.

"We have indicated, it should not be more than 12 months (for approval). We will let Bank Negara monitor this. They will know how to do it," he said. -- BERNAMA

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