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Mahathir-Bank

LOCAL BANKS TO SET UP SPECIAL SECTION FOR SMALL BORROWERS

KUALA LUMPUR, Jan 11 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad today called on the 10 local banks to establish a special department or section to deal with small borrowers.

He said the consolidation exercise had resulted in the banks getting big but there were complaints that the banks were not giving much attention to small borrowers.

He, however, hoped the complaints were not true.

Dr Mahathir, who is also Finance Minister, said this in his address at the launching of the AmFinance building, the new headquarters of AmFinance Bhd.

He said the banks should give equal treatment to small borrowers as they did their big clients, saying that the banks could not go bankrupt by the failure or default on the part of small borrowers.

He took a swipe at local banks for not being forthcoming in disbursing loans to small borrowers.

In jest he said: "I must go to the bank to borrow RM10,000. If you're not prepared to give the service, I have to rethink about having 10 banks. Maybe we need to go back to 56 banks. I am not threatening but advising. But advice from the Finance Minister who also happens to be the Prime Minister is worth taking note of."

Stressing on the importance of small borrowers, he said the government was keen to have small and medium-scale industries (SMI) and small businessmen get access to financing as much as "people who borrow tens of hundreds of millions of dollars".

"Please remember when big borrowers fail, you lose a lot of money but when small borrowers fail you don't lose much money," he said.

Dr Mahathir said the "small people" were part of the economic system of the country and that the country could not have big players only, without the supporting role of the small players.

He said many industries outsourced their needs from small manufacturers and companies.

"These small companies in fact support the big companies...the big companies which borrowed from the banks. So, please don't focus on big companies but do pay attention to small borrowers because they are the ones contributing to the success of the big corporations," he said.

He said he heard some complaints that the banks were bigger now but they were not giving much attention to the "small people", those who wanted to borrow a few hundred thousand or less.

On a lighter note, he said when he helped businessmen, he was interested to tax them later.

Meanwhile, present at the launching of the 48-storey building, formerly known as the MBf building, were chairman of AmBank group Tan Sri Azman Hashim and Bank Negara governor Tan Sri Dr Zeti Akhtar Aziz.

During the function, the Prime Minister received a RM1.2 million contribution for the CPTM (Commonwealth Partnership and Technology Management) Endowment and another RM1.0 million for a Malaysian community project.

-- BERNAMA

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