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Shafie-Moneylenders

MICRO CREDIT SCHEME TO RID RELIANCE ON MONEYLENDERS - DR SHAFIE

PENANG, June 11 (Bernama) -- The Finance Ministry said it will ensure the Micro Credit Scheme will rid petty traders' dependence on illegal moneylenders or loan sharks to obtain business loans.

Deputy Minister Datuk Dr Shafie Mohd Salleh said the credit facilities, to be offered to eligible petty traders, would ease their problem of getting loans from financial institutions.

"It is true that petty traders face difficulty in getting loans and there are some who are forced to turn to loan sharks. We hope the scheme will help them improve their businesses," he said.

Dr Shafie said this in reply to a question from a representative from a petty traders' association at a briefing on Bank Simpanan Nasional and Bank Pertanian Malaysia Micro Credit Scheme.

He said the government was aware of the high risks faced by petty traders who turned to loan sharks who disbursed the money quickly than the financial institutions.

He said the ministry would ensure the scheme achieved its target of channelling the maximum loans of RM20,000 to eligible petty traders.

The government had allocated RM500 million for the scheme -- RM300 million to Bank Pertanian and RM200 million to Bank Simpanan Nasional (BSN).

The scheme, launched on June 3, is part of the RM7.3 billion under the New Strategies Package announced by Prime Minister Datuk Seri Dr Mahathir Mohamad on May 21.

It aims to spur economic growth and overcome economic implications following the invasion of Iraq and the outbreak of the Severe Acute Respiratory Syndrome (SARS).

BSN General Manager and Chief Executive Abu Huraira Abu Yazid said 16,533 application forms have been issued at all 407 BSN branches nationwide while 239 applications involving loans worth RM4 million have been received.

Of the total, 109 loan applications worth RM1.8 million were from petty traders in Penang, he said.

Bank Pertanian Malaysia Assistant General Manager (Credit) Mohd Azmi Abdul Ghani said the bank received 1,672 applications involving RM25.9 million.

He said 368 applications for loans totalling RM5.2 million had been approved.

Of the total, 136 applications amounting to RM2.249 million are from Penang and 15 applications worth RM255,000 have been approved, he added.

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