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Govt wants banks to provide special 'window' for SMI loans

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THE Government has directed Bank Negara Malaysia to make sure that commercial banks provide a special "window" for small- and medium-scale industries (SMIs) to have access to loans.

Commercial banks must also submit a monthly report on their loan growth to Bank Negara.

"This is to make sure that a certain percentage of the loans are given to the SMIs," Second Finance Minister Datuk Dr Jamaludin Jarjis told newsmen after opening the 12th general meeting of the Bumiputera Manufacturers Association Malaysia (PPBM) in Kuala Lumpur yesterday.

This is in line with the Government's aspiration to see the private sector, especially the SMIs, become the growth engine of the country's economy, he said.

"This is our agenda to ensure that the SMIs play a leading role in stimulating the country's economy.

"Prime Minister (Datuk Seri Dr Mahathir Mohamad), who is concerned that available funds are not reaching the SMIs, has asked Bank Negara to monitor the situation regularly.

"This is to ensure that the banks would not neglect the agenda to help SMIs obtain funds," he added.

Apart from this, Jamaludin said, commercial banks have been told to speed up the disbursement of approved loans to SMIs.

"Some SMIs whose loan applications had already been approved received the funds only 12 months later. This defeats the purpose of helping the SMIs.

"They need the funds to expand their business, pay their suppliers, and buy new machines. This in turn will help stimulate the economy," he said.

Jamaludin said Bank Negara will determine the quota of loans that banks have to allocate to the SMIs. "We will look at all possibilities", including the quota and the time-frame for banks to disburse the loans after the applications have been approved, he added.

On what action would be taken if banks failed to provide loans to the SMIs, Jamaludin said Bank Negara would decide. "I am sure they can manage

it. It is their responsibility. They know what has to be done."

He said the Government has allocated about RM8.9 billion in loans for the SMIs. But disbursement of the loans remains an issue.

Earlier, in his speech, Jamaludin said PPBM members should strengthen and modernise their management and improve the use of information technology (IT) to face the challenges in the current global market.

"In the current globalisation, we are not competing with the non-Bumiputeras but the world.

"We have to brace ourselves to face the challenges. We have to consolidate to become bigger to remain competitive in the global

market,"
he said.

Jamaludin called on PPBM members, especially the SMIs, to participate aggressively in the services sector.

"The current world economy is moving towards the services sector. That is where we (the SMIs) should move into," he said.

Jamaludin also witnessed the signing of a memorandum of understanding between PBBM and two companies, Syarikat Infobase Sdn Bhd and Syarikat Digital Debut Sdn Bhd, to pave the way for cooperation in education and IT development.

Earlier, PBBM deputy president Abdul Rahman Ibrahim presented a memorandum containing issues brought up by association members to Jamaludin.