

Revive 30% bank loan to bumis, Kadir urges gov't
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The government should revive the previous policy of having banks allocate 30 percent of their commercial loans to potential middle-level bumiputera entrepreneurs, urged a former Umno supreme council member today.

Abdul Kadir Sheikh Fadzir, who is also an Amanah deputy president, said banks should also have special units to cater to bumiputera entrepreneurs in a bid to increase their number and help them expand their business and stand on their own feet.

Furthermore, he proposed that each ministry create special units to cater to bumiputera entrepreneurs.

“Such a policy was implemented at the start of the New Economic Policy during the 1970s, however, somehow it was scrapped in the mid-1980s.

“I cannot tell you why (the programme was stopped) but then there was focus towards high profile, big Malay entrepreneurs with the privatisation of Renong and Malaysia Airlines.

“However, such acts resulted in failures when such entrepreneurs failed and the government had to spend billions to bail them out,” he added.

Identify the right bumi entrepreneur

Rather than focusing on big projects, Abdul Kadir said the government should focus on the middle-class bumiputera entrepreneurs as at present there were many Malay professionals, such as engineers, architects and accountants, but they have difficulty in obtaining loans to expand or start a business.

He said when the policy was implemented then, there were no quarrels with the Chinese community or the MCA or the DAP, who may want to see a limit on the loans forked out.

“In fact, I think they will support it (the policy) as they also want to see the bumis prosper and this would create more opportunities and wealth,” he added.

But when incapable Bumi entrepreneurs are awarded big projects, they will “ali baba” the project and the development will run into problems. That’s the reality now, he added.

While welcoming Prime Minister Najib Abdul Razak’s announcement yesterday to open-up government-linked projects to bumiputeras, Kadir expressed caution: “Do not repeat the same mistake twice as what has happened with MAS, Renong and UEM. Identify the right bumi businessperson.”

“Do not award projects where in turn the government would have to bail them out,” he warned.

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