

Set up a bank for bumis, gov't told

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The Malay Chamber of Commerce Malaysia (DPMM) has urged the government to set up a bank specifically for bumiputeras with an initial fund of RM2 billion.

DPMM president Syed Ali Alattas made the proposal as he felt that middle class entrepreneurs were not provided for under the government's recently unveiled Bumiputera Economic Empowerment Agenda.

"The proposal is to establish a Bumiputera bank with an initial RM2 billion capital, RM1 billion from the government and another RM1 billion from the Malays," he told reporters.

NONE Syed Ali (left) however said that his proposal was not going to be a revival of the old Bank Bumiputera.

It was transformed into CIMB Bank, a commercial bank.

"We are not saying we want a second Bumiputera bank. It is because the old bank has closed," Syed Ali said.

Prime Minister Najib Abdul Razak had said on Saturday that under his BEE, the government would give RM700 million to entrepreneur fund Tekun Nasional and an additional RM300 million to finance Amanah Ikhtiar Malaysia (AIM) for the next five years.

However, DPMM believes the RM1 billion was insufficient hence the need for a bumiputera bank geared towards helping the middle class bumiputera entrepreneurs.

Furthermore, DPMM also suggested that the government should trim the country's debt down to below 50 percent of its Gross Domestic Product (GDP), starting from the next budget to be presented in October.

"The government must ensure that our debt, we cap it to 50 percent of GDP, that's very good," Syed Ali said. "If it reaches 55 percent, that's considered medium... but if it exceeds that, we will be in for a hard time," he added.

Malaysia's debt to nominal GDP ratio reached 53 percent since 2012 and the

government's budget has been in a deficit, which means the government spends more than it collected in taxes and other revenues for the last 15 years.

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