

Take risk on loans to innovative companies, PM urges financial institutions
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PUTRAJAYA: Venture capitalists and financial institutions must be bold enough to take the risk of providing loans to small companies which have innovative ideas and products that could become game-changers to the community.

Prime Minister Datuk Seri Najib Tun Razak said financial institutions must be ready to accept that not every product and idea would become a hot-seller.

"They should not think that they must get a full return from all the loans they have given out.

"There may be a few that fail and it is this fear of failure factor (among financial institutions) that will thwart the growth of the culture of innovation in our community," he said.

Najib said this when launching Malaysia's first lightweight composite LPG cylinder manufactured by Faidhi Holdings Sdn Bhd, here Wednesday.

On the product, Najib hoped oil companies in Malaysia would replace the present steel LPG cylinders to the composite ones, which were lighter, cheaper, and user- and environmentally-friendly.

"This move will support Faidhi Holdings Sdn Bhd's innovative product, which has big growth potential in the domestic market and for export," he said.

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