

Micro credit body gets RM100mil

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TEMERLOH: The Prime Minister has announced an additional allocation of RM100mil to Amanah Ikhtiar Malaysia (AIM) and called on the micro credit body to go beyond its original objective of alleviating poverty.

Datuk Seri Abdullah Ahmad Badawi said besides providing financing to poor households in rural areas, AIM should also help those who had "graduated" from the scheme to expand their business.

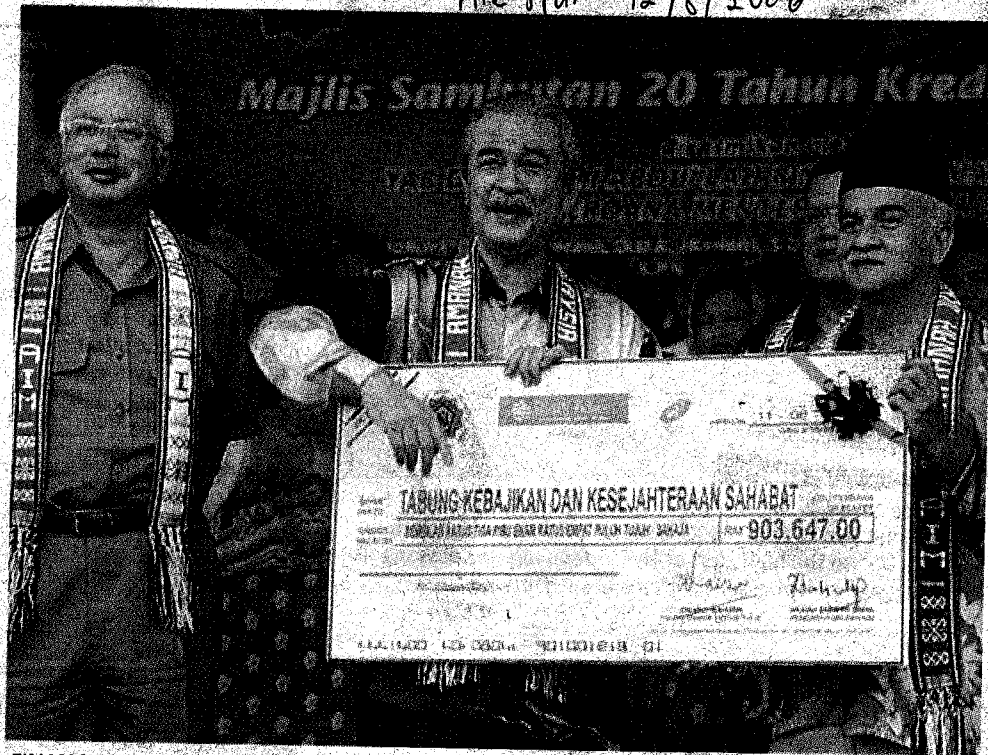
AIM had been given RM200mil during the 7th Malaysia Plan.

"The organisation was initially set up to help the poor by getting them started on small businesses," he said at the 20th anniversary celebration of the Ikhtiar micro-credit programme and the launch of the Friends of AIM welfare and benevolent fund here yesterday.

"Logically, when it achieves success, there will be fewer poor people who need a loan.

"As such, I propose that a new scheme be started to help those with low wages."

AIM, Malaysia's dominant micro-finance institution, was set up in 1987 to reduce poverty by providing financing to poor households in rural areas.



FINANCIAL AID: Abdullah presenting a mock cheque for RM903,647 to AIM board chairman Datuk Amihanzah Ahmad at the launch of the welfare and benevolent fund in Temerloh yesterday. With them is Deputy Prime Minister Datuk Seri Najib Tun Razak. — Bernamapic

This was consistent with the New Economic Policy then to reduce poverty and income disparities among the ethnic groups.

Abdullah described AIM's micro credit scheme as among

the most successful in the world, citing the loan repayments of 98% as contributing to its success.

He said the Government was confident of achieving the target to eradicate hardcore

poverty by 2010.

At present, AIM has 69 branches with 157,000 active members nationwide and has provided loans amounting to RM1.7bil, mostly to finance business activities.