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# More loans for businesses

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**BATU PAHAT:** Loans to businesses nationwide especially to small and medium enterprises (SMEs) are expected to continue their uptrend.

Bank Negara corporate communications director Abu Hassan Alshari Yahaya said as at June this year, loans outstanding to the business sector stood at RM293.4bil, which was 3.7% higher compared with June last year.

"A total of 40% of the loans were disbursed to SMEs. We expect the loans to increase this year as the banking sector is willing to assist businesses nationwide despite the current economic downturn," he told newsmen after a dialogue with business organisations organised by Bank Negara and The Association of Banks in Malaysia (ABM) here yesterday.

Abu Hassan said continuous engagement between banks and businesses was needed to enhance understanding between the two parties.

"This recent dialogue between the banks and businesses will create more understanding and knowledge of the challenges faced by both parties".

"If businesses, including SMEs, are aware of the requirements in obtaining loans, they will

strengthen their ability to be viable, thus, making it easier for banks to approve these loans," he said, adding that the central bank would continue to monitor the situation so that viable businesses would still get financing.

Bank Negara and the Government have come up with various measures to assist businesses and SMEs in the current economic situation, among which were the Micro Enterprise Fund, the SME Assistance Guarantee Scheme and the Working Capital Guarantee Scheme.

"The RM5bil Working Capital Guarantee Scheme has received overwhelming response where RM4.2bil had been approved to 3,300 SMEs. Meanwhile, the RM2bil SME Assistance Guarantee Scheme has benefited 4,858 SMEs with RM961mil approved," he said.

Bank Negara is also giving consultation via its hotline at 1-300-88-5465 and the Small Debt Restructuring Scheme for SMEs to restructure their non-performing loans.

ABM executive director Chuah Mei Lin said that the association with Bank Negara and Small and Medium Scale Industries Development Corp organised their first financing fair outside of Kuala Lumpur, in Batu Pahat recently.

"We are planning to organise another one in the northern region by year's end," she said, adding that they were targeting locations outside of urban cities in the country.