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CGC sets RM2b loan target

[By Roziana Hamsawi](#)

CREDIT Guarantee Corporation Malaysia Bhd (CGC) is targeting to guarantee a total of RM2 billion in loans for 9,000 small and medium enterprises (SMEs) this year.

CGC managing director Datuk Wan Azhar Wan Ahmad said for the first half of this year, it has guaranteed RM500,000 in loans. (*misquoted, correct figure should read **RM500 million***)

"The first four months were quite slow for us this year because of the general election, but things are picking up now," he said yesterday.

Last year, CGC guaranteed a total of RM1 billion in loans. Over the last 40 years, it has guaranteed a total of RM51.4 billion in loans to more than 420,000 SMEs.

Meanwhile, Bank Negara Malaysia deputy governor Datuk Muhammad Ibrahim yesterday launched CGC's book entitled "Catalysing SME Growth" .

The book is aimed at creating a better understanding of CGC's role among its stakeholders, especially SMEs.

It documents CGC's role in promoting the growth and development of SMEs through its guarantee schemes over the last 40 years.

Wan Azhar said CGC had managed 42 guarantee schemes tailored to suit the specific needs of SMEs in every sector.

He added that the firm has always been consistent in looking out for innovative ways to improve SME outreach, especially in the financing of smaller businesses.

Muhammad Ibrahim also urged banks to lower its financing cost when giving out loans to SMEs as "the current rates imposed are too high at about 10 to 12 per cent average".

He also called for CGC to intensify the promotion of its products to make CGC a



Bank Negara Malaysia deputy governor Datuk Muhammad Ibrahim (centre) and CGC managing director Datuk Wan Azhar Wan Ahmad (right) at the launch of CGC's book yesterday. With them is CGC chairman Datuk Md Agil Mohd Natt. Pic by Salhani Ibrahim

household name among SMEs.

He also urged CGC to extend its guarantee to new start-ups and new growth areas like green technology.

Wan Azhar said those suggestions will be looked at closely by CGC to further enhance its role as a vital financial intermediary in the country.

He also said CGC's role and its contribution to Malaysia's SME growth have been recognised by other emerging countries in Africa and the Middle East.

He said CGC recently signed an memorandum of understanding with a Mongolian credit guarantee firm that will see it guiding the latter on how best to build its guarantee system there.

Next week, it will sign an agreement with Papua New Guinea's credit guarantee institute for the same purpose, said Wan Azhar.