Funding scheme a boon for rural entrepreneurs

The Rural and Regional Development Ministry has set aside RM15 million to empower rural Bumiputeras to venture into entrepreneurship under the Rural Economic Funding Scheme (SPED Nano). Its minister, Datuk Seri Ismail Sabri Yaakob, said this year, the scheme targeted 1,500 Bumiputera entrepreneurs, adding that each would be entitled to a maximum of RM10,000 to boost their business or start a new one.

He said the scheme, under Mara, was smaller than the micro-credit scheme for Bumiputera entrepreneurs, with less than RM300,000 annual sales turnover.

"Although SPED Nano is specifically tailored for entrepreneurs earning below RM150,000 a year, the conditions are similar to those applying for micro loans."

This is to help rural entrepreneurs who cannot secure loans from financial institutions to expand their business. Existing and aspiring entrepreneurs are not required to pledge property as collateral or have a guarantor to qualify for SPED Nano.

The approval process takes seven days. You only need to submit your business registration (from the Companies Commission of Malaysia) and savings account details to show your cash flow," he said after launching the scheme at Dataran Kerajang in Bera yesterday.

Ismail said although no guarantor was required for the scheme, Mara officers would, however, monitor the progress of those who obtained the loans to ensure they would be able to repay it within five years.

"The officers will provide advice on how to market products and boost businesses as we want entrepreneurs to be successful."

Once their business expands, the recipients will be eligible to receive micro-credit loan assistance. We want entrepreneurs to progress far in their business and secure a high return.

He said the scheme was suitable for those doing online, night-market and small-scale businesses as it would serve as a platform to develop the business, including renovating existing business premises, stock up on supplies and expand the business.

Ismail handed out cheques worth RM10,000 each to 15 participants from Bera, who are pioneer recipients of SPED Nano.

One of them, tailor Zabidah Ismail, 57, said she would use the money to buy a new sewing machine as her current one often broke down.

She described the scheme as a relief for elderly entrepreneurs like herself as it was tough for them to secure bank loans due to their age.

"All this while, I have been depending on one sewing machine, but once I get a new one, I will be able to rotate the machines."

"Since Hari Raya is coming soon, I will buy additional sewing materials so I can take orders to sew baju kurung and baju kebaya."

Perfume salesman Mohd Shahrizaa Maarof, 33, who used his savings to start his business last year, said the loan would help him diversify his income.

"I want to venture into other businesses, and this scheme will be a great help. It is good that Mara also provides consultation to help entrepreneurs in their businesses."

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