

'Banks should lend more to micro, small enterprises'

Our Bureau

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Banks should shed their conservatism in financing the micro and small enterprises and should supplement the Government's initiative through the Credit Guarantee Fund Trust for the sector in risk mitigation of the enterprises.

Stating this at a function organised by the Credit Guarantee Trust for Micro & Small Enterprises (CGTMSE), the Union Finance Minister, Mr P. Chidambaram, said the banks should "open their purses to support young men and women who want to become entrepreneurs".

Mr Chidambaram, who released the 1,00,000th Credit Guarantee Approval at the function, said though the milestone was impressive, it reflected a huge gap as the country had about 26 lakh micro and small enterprises without access to credit. Despite the sector's vital contribution to the economy, accounting for more than 40 per cent of the country's exports and large employment generation, it remains neglected, he said.