



BANK OF THAILAND NEWS

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Small Industry Credit Guarantee Corp. supports BOT's SME scheme

The Small Industry Credit Guarantee Corp. (SICGC) announced recently that it will support the BOT's scheme to help any problematic small and medium size enterprises (SMEs) through debt restructuring. Under this scheme, SICGC is allocating a 2-billion baht facility to guarantee up to 75% of a non-collateral loan but not exceeding 20 million baht per project.

The Bank of Thailand has recently launched a project to support debt restructuring of the SMEs that still have business potential but shoulder non-performing loans. On June 12, the SICGC Board sets the following conditions for joining this scheme:

1. SICGC must be able to increase its registered capital by another 4,000 million baht.
2. Total loan facility must not exceed 2,000 million baht.
3. SICGC will guarantee up to 75% of a non-collateral loan but not exceeding half of the total debt and not more than 20 million baht per project.
4. Repayment of such debt will be effective only after legal proceedings are finalized.

Moreover, SICGC will propose to the Ministry of Finance to issue a ministerial decree to set the limit of the SICGC guarantee. SICGC proposes that its guarantee for the size of net fixed asset of an SME must not exceed 200 million baht.

SICGC's move is in line with the BOT's continued efforts to help troubled but potential SMEs. BOT has since April this year introduced a set of measures for helping these SMEs.

Bank of Thailand

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