



UNIVERSITI TEKNIKAL MALAYSIA MELAKA

QUESTIONNAIRE

**RESEARCH ON THE PAYMENT BEHAVIOR OF SMALL AND MEDIUM SIZE
OIL PALM PLANTATION BORROWER**

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details, please contact**

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Average Income Per Month: (平均每月收入)		RM	Average Fixed Income Per Month: (平均每月 固定 收入)	RM	
Employment Type: (就业类型)		<input type="checkbox"/> Self Employed (自聘)	<input type="checkbox"/> Salaried (受聘)	<input type="checkbox"/> Others: (其它)	
Type of Working Industry: (相关工作领域)		<input type="checkbox"/> Primary Industry (e.g. Agriculture, Mining, Fishing, Forestry) (主要领域如: 农业, 采矿, 渔业等)	<input type="checkbox"/> Secondary Industry (e.g. Food, Textile, Automobile, Building) (生产与制造业如: 食物加工, 纺织, 建筑)	<input type="checkbox"/> Tertiary Industry (e.g. Banking, Education, Services) (服务领域: 银行, 教育, 服务业)	
Years of Working Experience: (相关工作经验时间)		_____ Years (年)			

Please tick (✓) any of the below:
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<p>Experience in Agriculture? If yes, please specify: (是否具备相关农业经验? 如是, 请注明时间) _____ Years (年)</p>				
<p>Education Level: (教育程度)</p>	<input type="checkbox"/> Primary School (小学)	<input type="checkbox"/> Secondary School (中学)	<input type="checkbox"/> Diploma/ Professional Skill (文凭/专业技术)	<input type="checkbox"/> Degree/Master /Phd (大学程度以上)
<p>Average Commitment Per Month: (平均每月支出)</p>		<p>RM</p>	<p>Average Fixed Commitment Per Month: (平均每月固定支出)</p>	
<p>Existing Loan FacilitiesLoa: (现有贷款种类)</p>	<input type="checkbox"/> House/ Shop Loan/ Land Loan (房屋/店/土地贷款)	<input type="checkbox"/> Vehicle Loan (汽车贷款)	<input type="checkbox"/> Business Loan (商业贷款)	<input type="checkbox"/> Credit Card/ Personal Loan (信用卡/个人贷款)
<p>Loan Payment Method: (还贷方式)</p>	<input type="checkbox"/> Cash Deposit (现金)	<input type="checkbox"/> Cheque Deposit (支票)	<input type="checkbox"/> Direct Transfer/Standing Instruction (银行自动转帐)	<input type="checkbox"/> Internet Banking Payment (银行网上服务)
<p>How Far(KM) Distance to the Bank (existing loan) from Staying Place: (银行与住家距离) _____ KM</p>				
<p>Monthly Payment Habit: (每月支付习惯)</p>	<input type="checkbox"/> Always pay before the due date (截止日期前)	<input type="checkbox"/> Pay exactly on the due date (截止日期当天)	<input type="checkbox"/> Pay after the due date but within the grace period (截止日期后)	<input type="checkbox"/> Not Sure (不固定)

Please tick (√) any of the below:
请在适当的选择中画上(√)

Satisfaction To Bank's Service: (银行服务满意度)	<input type="checkbox"/> No Good (不满意)	<input type="checkbox"/> Acceptable (满意)	<input type="checkbox"/> Good (很满意)	<input type="checkbox"/> Not Sure (不确定)										
Is The Existing Loan Facilities Provider's Bank are the Preferable Bank? (现贷款银行是否是最爱的银行?)	<input type="checkbox"/> Yes (是)	<input type="checkbox"/> No (不是)												
Reason To Apply Loan Facilities From the Bank: (贷款原因)	<input type="checkbox"/> Insufficient Fund to Purchase (不够资金)	<input type="checkbox"/> Sufficient Fund To Purchase But As Reserve Purpose (足够资金,但做预留准备)	<input type="checkbox"/> For Cash Flow Purpose (为保护流动资金)	<input type="checkbox"/> Other, Please Specify : _____ (其他, 请说明)										
Type Of Margin Loan Facility Applied: (贷款类别)	<input type="checkbox"/> Fully Loan (贷款)	<input type="checkbox"/> Overdraft (透支/预透支贷款)	<input type="checkbox"/> Mixed (Loan and Overdraft) (综合贷款与预透支贷款)											
Please Rank The Priority to Pay the Installment from no.1 until no.5 (请排列以下贷款等级, 根据 第一 为最注重 至 第五 比较不注重)														
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PAYMENT BEHAVIOUR OF
SMALL AND MEDIUM SIZE
OIL PALM PLANTATION BORROWERS

YONG CHEA CHEE

Laporan ini dikemukakan sebagai memenuhi sebahagian daripada syarat
penganugerahan Ijazah Sarjana Muda Teknousahawanan

Fakulti Pengurusan Teknologi dan Teknousahawanan

Universiti Teknikal Malaysia Melaka

2013

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“Saya akui laporan ini adalah hasil kerja saya sendiri kecuali ringkasan dan petikan yang
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Abstract

Financing has been one of the important key factors to achieve the success of economic and industry in a nation. As investor or entrepreneur, the level or amount of finance is the main support of the business pillar. However, for financial institute and creditor they are seeking for return but not for the success of a business. The financial institute will borrow the money to those who have the ability to pay back or to those who's financial support is strong or those who have a good payment history.

The problem statements are the palm oil plantation borrowers faced a double standard financing problem, where the margin of finance is lower than other financing package.

The research is to examine the payment behaviour of oil palm plantation borrowers, and identify their payment behaviour. The result of this research will help to profile the criterion of potential borrowers in order to help the financial institute to evaluate the borrowers.

The research will be conducted using quantitative methods using the interview and survey questionnaire. The area is limited in the Peninsular of Malaysia only. At the end, the payment behaviours are summarized and the reasons of the behaviour will be identified. Thus, the criterion of potential borrower are summarized.

AbstreK

Sumber Kewangan menjadi salah satu kunci utama dalam mencapai kejayaan dalam ekonomi dan industry sesebuah negara. Sebagai pelabur atau usahawan, taraf kewangan adalah sokongan utama dalam aktiviti perniagaan.

Walau bagaimanapun, badan kewangan atau pemiutang mengutamakan pembayaran balik pinjaman dan bukan kepada kejayaan perniagaan itu sendiri. Badan kewangan akan memberikan peluang pinjaman kepada mereka yang berkemampuan untuk membayar balik pinjaman, golongan yang mempunyai latar belakang kewangan yang kukuh dan golongan yang mempunyai rekod membayar balik yang bersih.

Pernyataan masalah adalah tabiat peminjam kewangan bagi perladangan minyak kelapa sawit menghadapi masalah dimana marjin yang lebih rendah daripada pakej kewangan yang lain seperti pakej pinjaman rumah, atau perniagaan. Kajian ini adalah untuk mengukur dan mengenal pasti tabiat pembayaran.

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CHAPTER 1

INTRODUCTION

1.1 Introduction

This chapter provides an introduction of the research entitled “Payment Behavior of Small and Medium Oil Palm Plantation Borrowers. In this chapter, the objective of research, the research questions, scope and limitation and importance of the research will be explained. This chapter is organized in six sections which begins with the background of the payment behaviour of the small and medium oil palm plantation borrowers in Section 1.1. This is followed with the description of the problem statement of the study in Section 1.2. The research question and objectives of this research are presented in Sections 1.3 and 1.4. Further, Sections 1.5 and 1.6 focuses on the scope and limitation of the study. Finally, a summary of this chapter is presented in Section 1.7 .

1.2 Background of the study

Today, the oil palm development has been a remarkable industry, consisting of a multi-billion ringgit crop industry in Malaysia and it has played significant roles in contributing to the Malaysian economy. According to LMC – Oil seeds Outlook (2009), the palm oil industry has become a key economic growth driver in Malaysia, which is the second largest contributor to 2009 external trade (~6.9% at RM46 bn).

Due to its sustainability, Malaysia oil palm plantation has increased significantly starting from 1960 to 2005 (MPOB, Malaysian Rubber Board, MRB) particularly the growth of small and medium planters. According to the Jabatan Perikanan Malaysia, the small and medium oil palm plantation is defined as a planter that has plantation land equivalent to 4 hectare or lower. The small planters seek for fund to expand their oil palm plantation. According to The Times 100, banks provide a number of important financial services to businesses.

The Oxford Dictionary defines behavior as the way in which one acts or conducts oneself, especially towards others. Many customers become score able when payment is fully reported in credit score system by Michael Turner, Ph.D., 2009. Credit score is determined by information gathered from credit reports from the credit bureaus. According to Mc Donald (2009), the credit bureaus collect information of the debtor's payment patterns from all lenders. The information includes the amount of money borrowed, the pattern of loan payments and the balance of the loan. Hence, the payment behaviour is an important criterion for the oil palm plantation planters to get any mortgage from the financial institutions.

1.3 Problem Statement

The return on oil palm plantation was significantly high. There are many large funded multinational company that have expanded their oil plantation to other countries, such as Indonesia, Papua New Guinea and others. The sustainability of the oil palm plantation and the investment for oil palm plantation have also been documented in many researches. The contribution of this industry to the economic growth of the nation has been highlighted by the Plantation Industries and Commodities Minister Tan Sri Bernard Dompok , who said that, “the encouraging palm oil industry growth has contributed vastly to the country's economic growth and in 2011, oil palm plantation in Malaysia made up to 73.2 per cent of the total agricultural land in the country”. There is an increase number of the local small and medium investors who are attracted to the returns of the oil palm plantation.

One of the ways for financial institutions to gain profit is by offering loan facilities to businesses. According to Bank Negara Monthly Loan Statistics Report, the approved loan by the commercial bank in Malaysia has increased significantly from an average of RM 15,500 million per month in year of 2006 to an average of RM 21,000 million per month in the year of 2012. However, according to Outsource Bank mortgage officer, the margin of finance for agricultural land is lower than the margin of finance for a house loan. The agricultural land also has shorter loan tenure year as compared to the house loan tenure year which is a maximum of 40 years. Considering the increase number of local small and medium investors in the oil palm plantations, there is untapped opportunity for financial institutions, that is offering loan facilities to this group of investors.

The research topic of this study is “The Payment behaviour of Small and Medium Oil Palm plantation borrowers”. The findings of this study will benefit the financial institutes and the oil palm plantation creditors.

1.4 Research Question

In order to solve the problem statement that stated as above, two research questions have been designed. The research questions lead the researcher in findings the answer and as serve as the guide line to achieve the research purpose.

The research questions are:

- 1.4.1 What is the reason for the payment behavior of the small and medium oil palm plantation borrowers?
- 1.4.2 What is the criterion of potential borrower with good payment behavior.

1.5 Objectives

The objective of the study is to investigate the payment behavior of small and medium oil palm plantation planters. Specifically, the study identifies the reasons for that result the payment behavior by small and medium oil palm plantation borrowers.

The objective of study are stated as below,

1.5.1 To identify the reason causing the payment behavior.

1.5.2 To profile the criterion of potential borrower with good payment behavior.

1.6 Scope and Limitation

The scope of this research is to investigate the payment behavior of small and medium oil palm plantation borrowers in Peninsular of Malaysia and the reasons causing the payment behavior. The research focuses on the history of payment, the payment score using collected survey data.

Respondents of this study are divided into two groups. The first group is from the small sized oil palm plantation planters who take use loan facilities from a financial institute to do a small scale business in oil palm plantation. This group of respondents provides their payment behavior, the type of fund provided by the financial institute, the margin of finance and the reasons why they chose to pay or not to pay.

The second group consists of the planters of a medium sized oil palm plantation. They are involved in a medium scale of oil palm plantation business, referred as the investor. This group also provides the payment behavior, the type of fund get by their financial institute, the margin of finance and the details or reason why they chose to pay or not to pay to the creditor.

There are several limitations have been identified in this research. First, the case study is to investigate the payment behavior of small and medium oil palm plantation planters at the Peninsular Malaysia only. Thus other locations within or out of Peninsular Malaysia are beyond the discussion of this research. Second, the researcher assume that the respondents answers the questionnaire with logical and honest opinion.

1.7 Importance of the Project

The project is a practical study of the factors of payment behavior on oil palm plantation planters toward the loan or mortgage provided by the financial institute. It is important to identify the criterion required by the financial institute at Peninsular Malaysia. Besides, the project also provides a detailed understanding of the profile of a good payment behavior of oil palm plantation planters.

Secondly, it is important information for the financing field since the payment attitude is the main consideration for a financial institute when deciding to approve for a loan facility. The project contributes to increase the activity of finance and increase the margin of finance to the borrower, while decreasing the bad debt in finance industry.

With the new exploration on behavior of the borrowers, the requirement on the loan will become easier and less complicated. The study will raise the awareness of the creditors against the oil palm plantation planters' behavior in paying back their loan, while the activity of oil palm plantation is one of the most popular and sustainable fields in Malaysia.