

8 0012 AAE

LEAD MAHATHIR-TAKESHITA R' R' R'
BY AHMAD REJAL ARBEE

① Trip overseas.

TOKYO, OCT 7 (BERNAMA) -- DATUK SERI DR MAHATHIR MOHAMAD TODAY HAD DISCUSSIONS WITH JAPANESE PRIME MINISTER NOBORU TAKESHITA ON THE POSSIBILITY OF REDUCING THE INTEREST BURDEN BEING BORNE BY MALAYSIA OVER ITS YEN LOANS FOLLOWING THE 100 PERCENT APPRECIATION OF THE YEN AGAINST THE RINGGIT.

THE PRIME MINISTER TOLD MALAYSIAN JOURNALISTS ACCOMPANYING HIM: +WE ARE ASKING FOR SOMETHING TO BE DONE TO REDUCE THE BURDEN. NOTHING SPECIFIC WAS REQUESTED.+

THE JAPAN BROADCASTING CORPORATION IN ITS 2PM BULLETIN SAID ENCIK TAKESHITA PLEDGED TO CONSIDER THE REQUEST. DATUK SERI DR MAHATHIR SAID: +HE UNDERSTANDS OUR PROBLEM AND WILL TRY AND FINDS WAYS TO HELP.+

IT IS EXPECTED THAT OFFICIALS FROM THE TWO COUNTRIES, INCLUDING OFFICIALS FROM OVERSEAS ECONOMIC CO-OPERATION FUND, WHICH IS JAPAN'S OVERSEAS DEVELOPMENT ASSISTANCE PROGRAMME, WOULD MEET SOON TO DRAW UP SPECIFIC MODES TO DECREASE THE BURDEN FACED BY MALAYSIA OVER THE LOANS FOLLOWING THE APPRECIATION OF THE YEN.

DURING THE HALF-HOUR MEETING AT ENCIK TAKESHITA'S OFFICE, THE TWO PRIME MINISTERS ALSO DISCUSSED THE POSSIBILITY OF INCREASING LANDING RIGHTS FOR MALAYSIA AIRLINES TO FLY TO JAPAN. MAS CURRENTLY HAS EIGHT FLIGHTS A WEEK TO TOKYO. -- MORE
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LEAD MAHATHIR-TAKESHITA 2 TOKYO

DATUK SERI DR MAHATHIR, WHO WAS ACCOMPANIED TO THE MEETING BY MALAYSIAN AMBASSADOR DATUK AHMAD KAMIL JAAFAR, SAID MALAYSIA WAS INTERESTED IN GETTING EXTRA FLIGHTS INCLUDING THOSE TO OTHER JAPANESE CITIES SUCH AS OSAKA AND FUKUOKA. ENCIK TAKESHITA PROMISED TO SET JAPANESE OFFICIALS CONCERNED TO LOOK INTO THE MATTER.

THE PRIME MINISTER ARRIVED HERE LATE YESTERDAY WITH DATUK SERI DATIN PADUKA DR SITI HASHAH FROM NEW YORK EN ROUTE HOME AFTER A SUCCESSFUL THREE-WEEK TRIP TO WEST GERMANY, BELGIUM, BRITAIN AND THE UNITED NATIONS. HE LEAVES FOR HOME TOMORROW.

SINCE 1961, MALAYSIA HAD BORROWED UP TO 37 BILLION YEN (ABOUT \$7.4 BILLION AT CURRENT EXCHANGE RATES) THROUGH 13 YEN CREDITS. THE INTEREST RATE CHARGED HAD BEEN REDUCING FROM 5.0 PERCENT FOR THE FIRST CREDIT TO 4.0 PERCENT AND TO 3.75 PERCENT FOR THE CURRENT 13TH YEN CREDIT TO BE USED TO FINANCE THE CONSTRUCTION OF THE GAS PIPELINE FROM TERENGGANU ACROSS THE PENINSULA TO KUALA LUMPUR AND DOWN TO JOHOR BARU UNDER THE PENINSULA GAS UTILISATION (PGU II) PROJECT.

THE YEN LOANS ACCOUNT FOR 30 PERCENT OF MALAYSIA'S TOTAL OVERSEAS BORROWINGS. IT IS UNDERSTOOD THAT SOME OF THE YEN CREDIT HAD ALREADY BEEN REPAYED. -- MORE
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LEAD MAHATHIR-TAKESHITA 3 TOKYO

DATUK SERI DR MAHATHIR SAID THE DISCUSSIONS CENTRED ON THE REDUCTION OF THE INTEREST BURDEN FOR THE OLD LOANS AND WHETHER ANY NEW LOANS COULD BE GIVEN AT CONCESSIONAL RATES.

MALAYSIA HAD PREVIOUSLY NOT BEEN ABLE TO GET THE YEN CREDIT AT CONCESSIONAL RATES UNLIKE THREE OTHER ASEAN COUNTRIES -- INDONESIA, THAILAND AND THE PHILIPPINES -- BECAUSE IT HAD A PER CAPITA INCOME OF US\$2,100.

BUT FOLLOWING THE DEPRECIATION OF THE RINGGIT AGAINST THE US DOLLAR, MALAYSIA'S PER CAPITA INCOME HAD NOW BEEN REDUCED TO US\$1,600, THEREBY QUALIFYING IT TO RECEIVE THE YEN CREDIT AT CONCESSIONAL RATES.

DATUK SERI DR MAHATHIR SAID THE DROP IN PER CAPITA INCOME IN DOLLAR TERMS WAS BECAUSE OF THE LOWER EXCHANGE RATE OF THE RINGGIT. THE DEPRECIATION OF THE RINGGIT WAS DUE TO NO FAULT OF MALAYSIA'S. +WE DON'T PURPOSELY LOWER OUR EXCHANGE RATES,+ SAID THE PRIME MINISTER.

WHEN ASKED ABOUT PRIVATE SECTOR LOANS, HE SAID SOME HAD ALREADY BEEN RESTRUCTURED WITH NEW LOANS AT LOWER INTEREST RATES TO PAY OFF OLD LOANS. -- MORE
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LEAD MAHATHIR-TAKESHITA 4 TOKYO

THIS INCLUDES LOANS TAKEN BY THE HEAVY INDUSTRIES CORPORATION OF MALAYSIA (HICOM) FOR THE PROTON CAR AND CEMENT PROJECTS.

ASKED ABOUT THE SPECIAL LOANS OF US\$2 BILLION ANNOUNCED BY ENCIK TAKESHITA DURING THE ASEAN SUMMIT IN MANILA LAST DECEMBER, DATUK SERI DR MAHATHIR SAID THE MECHANICS FOR THE DRABDOWN OF THE LOAN HAD ALREADY BEEN WORKED OUT AND IT WAS NOW UP TO THE PRIVATE SECTOR IN ASEAN TO UTILISE IT. MALAYSIA HAS BEEN PROVIDED WITH \$875 MILLION UNDER THE FUND.

DATUK SERI DR MAHATHIR SAID ENCIK TAKESHITA ALSO AGREED TO PROVIDE SOME MORE PLACES FOR MALAYSIAN STUDENTS AT VARIOUS JAPANESE UNIVERSITIES AND TRAINING INSTITUTES.

TO DATE, MORE THAN 2,000 MALAYSIAN STUDENTS HAVE RECEIVED THEIR EDUCATION AND TRAINING IN JAPAN AND THOSE WHO HAVE RETURNED HOME HAVE ALL OBTAINED EMPLOYMENT.

ON THE EXTRA LANDING RIGHTS FOR MAS, DATUK SERI DR MAHATHIR SAID JAPAN HAD A POLICY OF INCREASING THE NUMBER OF JAPANESE GOING OVERSEAS TO 10 MILLION A YEAR. -- MORE
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LEAD MAHATHIR-TAKESHITA 5 TOKYO

OF THE TOTAL ONLY 120,000 VISITED MALAYSIA. DATUK SERI DR MAHATHIR FELT THAT MORE JAPANESE WOULD COME TO MALAYSIA WITH INCREASED FLIGHT FREQUENCY. JAPAN AIRLINES WHICH ALSO HAS EIGHT LANDING RIGHTS PER WEEK PER WEEK IN MALAYSIA WAS NOT FULLY UTILISING THOSE RIGHTS.

BECAUSE OF THE UNAVAILABILITY OF THE FLIGHTS MORE JAPANESE WERE GOING TO SINGAPORE. SINGAPORE AIRLINES (SIA) CURRENTLY HAS 24 FLIGHTS A WEEK TO JAPAN -- 17 TO TOKYO, FIVE TO OSAKA AND TWO TO FUKUOKA, THE BIGGEST CITY ON JAPAN'S SOUTHERN-MOST MAIN ISLAND OF KYUSHU -- AND IS UNDERSTOOD TO BE SEEKING ANOTHER FLIGHT TO FUKUOKA.

A JAPANESE RESIDENT HERE INTERESTED IN MALAYSIAN AFFAIRS SAID IT WOULD MAKE SENSE TO HAVE EXTRA HAS FLIGHTS TO OSAKA AND FUKUOKA TO SERVE JAPANESE IN AREAS OUTSIDE TOKYO, ADDING THAT FUKUOKA IN FACT HAD A FUKUOKA-MALAYSIAN FRIENDSHIP ASSOCIATION WITH MORE THAN 100 COMPANIES AS MEMBERS.

THIS AFTERNOON DATUK SERI DR MAHATHIR RECEIVED THE JAPANESE FOREIGN MINISTER, ENCIK SOBUE UNO, AT HIS HOTEL SUITE.

ACCORDING TO KYODO NEWS SERVICE, THE PRIME MINISTER ASKED FOR MORE JAPANESE PARTICIPATION IN MALAYSIA'S ECONOMIC ACTIVITIES. --
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LEAD MAHATHIR-TAKESHITA 6 TOKYO

FOREIGN MINISTRY OFFICIALS QUOTED ENCIK UNO SAYING THAT HE HOPED TO EXPAND ECONOMIC RELATIONS BETWEEN JAPAN AND MALAYSIA.

DURING THEIR 40-MINUTE MEETING, DATUK SERI DR MAHATHIR AND ENCIK UNO EXPRESSED THEIR MUTUAL CONCERN OVER THE POSSIBLE PROTECTIONISM WHICH COULD BE TRIGGERED BY MOVES TO INTEGRATE REGIONAL MARKETS IN EUROPE AND NORTH AMERICA.

THE JAPANESE FOREIGN MINISTER CALLED ON DATUK SERI DR MAHATHIR TO JOIN IN A MOVEMENT ADVOCATED BY FORMER PRIME MINISTER YASUHIRO NAKASONE TO FORM A FORUM OF PARLIAMENTARIANS IN THE ASIA-PACIFIC REGION AS THE FIRST STEP IN REGIONAL CO-OPERATION.

EARLIER, THE PRIME MINISTER AND HIS DATIN SERI DR SITI HANNAH AND THE DELEGATION WERE FETED TO A MALAYSIAN LUNCHEON AT DATUK KAMIL'S RESIDENCE.

THE EXECUTIVE-DIRECTOR OF THE YOKOHAMA-BASED INTERNATIONAL TROPICAL TIMBER ORGANISATION (ITTO) DATUK DR FREEZAILAH CHE YEOM WAS ALSO PRESENT. -- BERNAMA

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