

13 JAN 1998

AIG TO ANNOUNCE US\$2 BILLION INFRASTRUCTURE FUND TOMORROW

KUALA LUMPUR, Jan 13 (Bernama) -- American insurance conglomerate, the American International Group, Inc. (AIG) will announce details of its new infrastructure fund of about US2 billion in Singapore tomorrow for investments throughout the region.

Its chairman and chief executive officer Maurice Greenberg said today this reflected the company's confidence in the future of this region despite the current economic woes.

"We are working on a number of new investment programmes in many fields for the region including Malaysia," he told reporters on the sidelines of the Fourth Pacific Dialogue here. The two-day dialogue ended today.

He said the allocation of the fund would depend on the nature of the projects and how they were structured among others.

Greenberg, who is a member of the strong American delegation to the dialogue which included US Secretary of Defence William Cohen and former Secretary of State Henry Kissinger, earlier had talks with Prime Minister Datuk Seri Dr Mahathir Mohamad and Deputy Prime Minister Datuk Seri Anwar Ibrahim.

He said AIG planned to invest more in areas such as the securities market and infrastructure development.

"We are even considering locating some of our units in Malaysia as well as other parts of the region," he said.

He said Asia needed selective infrastructure development to continue its economic growth.

On another note, Greenberg declined to say whether Malaysia's offer to the World Trade Organisation (WTO) to stick to allowing a 51 percent equity control in insurance firms by foreign companies was brought up during the meetings.

"I didn't come to Malaysia to discuss that...I came here to participate in the dialogue and to offer whatever views I can to contribute on the economic problems faced by this region now," he said.

The ruling means that the American International Assurance, which is wholly-owned by AIG, would need to divest its additional 49 percent stake in American International Assurance, its wholly-owned Malaysian subsidiary.

However, Greenberg said AIG was a "very big supporter" of Malaysia as it had been in the country for decades. -- BERNAMA

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