

16 NOV 1998

APEC-NEWS-COMPANY/BM LEAD

CHINA-TAIPEH INJECTING US\$300 MLN IN SELECTED SEA FIRMS

By: E.Sivabalan

KUALA LUMPUR, Nov 16 (Bernama) -- Chinese-Taipeh will inject capital to the tune of US\$300 million in selected Malaysian companies, International Trade and Industry Minister Datuk Seri Rafidah Aziz said today.

She said the funds would also be made available to other Southeast Asian countries hit by the financial and economic crisis but priority would be accorded to Malaysia based on its substantial investments in this country.

Rafidah said the capital injection would be made through the Southeast Asia Holding Company in companies involved in the palm oil, manufacturing and services sectors.

The investment holding company would start pumping in the funds now that they had identified the companies, she told reporters after the bilateral meeting between Prime Minister Datuk Seri Dr Mahathir Mohamad and Dr Chiang Pin-Kung, who is representing Chinese-Taipeh President Lee Teng Hui at the Apec Leaders' Summit which begins here tomorrow.

Rafidah said a team of officials from the Southeast Asian Holding Company, a government-backed private sector body, came to Malaysia to identify the companies.

She, however, declined to name them.

"It is not how soon the company will invest in Malaysia but the fact that they are doing it is important," she said.

Rafidah also said Chinese Taipei had proposed the "Collateralised Bond Obligation (CBO) scheme whereby affected Asian economies could issue bonds guaranteed by countries not affected by the financial crisis in efforts to raise liquidity to finance economic activities.

She said Dr Chiang had asked Dr Mahathir to consider the proposal.

Chinese Taipei had already forwarded the proposal to leaders of the Asia-Pacific Economic Cooperation (Apec) forum.

Rafidah said the Chinese Taipei delegation felt that Apec had not been of much help to the private sector.

"This is in line with our view that Apec has in the past been talking only without any benefits to the private sector," she said.

She hoped the private sector would benefit from this year's Apec.

-- BERNAMA

ES TS