

16 MAY 1998

LEAD Malaysia-Indonesia

M'SIA FIRM ON LOAN TO INDONESIA, RMAF FLIES MALAYSIANS HOME

KUALA LUMPUR, May 16 (Bernama) -- Malaysia today announced that it will go ahead with a US\$250 million (RM925 million) bridging loan to Indonesia while two Royal Malaysia Air Force (RMAF) transport planes are expected to ferry home at least 200 Malaysians by midnight from riot-stricken Jakarta.

The two C-130 Hercules took off from Jakarta at 9.13pm (Malaysian time) and are expected to arrive at the RMAF base in Subang at around 11.58pm with mostly families who have sought the assistance of the Malaysian Embassy in Jakarta.

The two aircraft had been on standby since 9am and left only in the afternoon after getting clearance from the Indonesian authorities.

They also brought food supplies for the Malaysian Embassy which has been deluged by Malaysians working in the Indonesian capital which saw riotings since Tuesday.

Earlier, Prime Minister Datuk Seri Dr Mahathir Mohamad said Malaysia would still provide the loan to Indonesia while it awaits the International Monetary Fund (IMF) bailout package to be released to revive its economy.

"We give it to a nation. Obviously, whoever succeeds the government will have obligations as much as they have obligations to the IMF and other international bodies," he told reporters upon his return from an eight-day visit to Egypt and Sudan.

When asked whether the IMF was to be blamed for what had happened in Indonesia, he said: "IMF is not sensitive to the social cost of economic restructuring...as if the economy and society have got no relation whatsoever."

Defence Minister Datuk Seri Syed Hamid Albar said the RMAF was ready to fly home more Malaysians if there was a request from the Foreign Ministry.

As uneasy calm prevailed in Jakarta, Parliament Speaker Harmoko said President Suharto would soon reshuffle the Cabinet, a day after withdrawing fuel price hikes and ordering severe action against looters.

Community leaders and various organisations in the country called for an end to the unrest which had brought economic activities in Jakarta to a standstill.

Newspaper reports said at least 209 bodies were recovered in four districts in the city.

To cope with heavy passenger demand, Malaysia Airlines (MAS) today decided to switch one of its three daily Jakarta-bound flights to the bigger Boeing 747-400 which can accommodate 362 passengers.

The national carrier, which normally uses the smaller Boeing 737-400 which can take 128 people, also reported heavy bookings from two other Indonesian cities, Surabaya and Medan.

Three chartered Garuda Airlines flights landed in Pulau Pinang from Medan, each with 124 passengers.

A spokesman of the Indonesian carrier's office at the Sultan Abdul Aziz Shah Airport in Subang said it expected the demand for chartered flights to last for a few days.

Apart from returning Malaysians, Kuala Lumpur is becoming a transit point for foreign nationals including Indonesians and their families.

At the Sultan Abdul Aziz Shah airport, a local textile importer, Peter Ang, said he was there to receive business associates from Indonesia.

"They'll be staying here for sometime until they get a safe passage to another country," he told reporters when met at the arrival hall, adding

that more of his Indonesian business contacts would be arriving in the next few days.

One of the Indonesian businessman, who declined to be named, said he and his family would be staying here for a while because all his belongings in Jakarta including his factory was burnt.

Meanwhile, several leading hotels reported higher bookings in the past few days particularly from foreigners, many of whom arrived from Jakarta.

Room reservations were also received from companies for their staff expected to arrive from Indonesia.

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