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Mahathir-Indonesia

MALAYSIA TO PROVIDE BRIDGING LOAN TO INDONESIA

By: Harlina Samson

KUALA LUMPUR, May 3 (Bernama) -- Malaysia will provide a small bridging loan to Indonesia while awaiting for the International Monetary Fund (IMF) to provide the balance of the US\$43 billion rescue package to that country, Prime Minister Datuk Seri Dr Mahathir Mohamad said today.

He said the amount was in addition to the US\$1 billion which Malaysia gave Indonesia last year.

"Indonesia needs some help because the IMF is slow in channelling the balance of its US\$43 billion rescue package to Indonesia," he told Bernama after receiving Indonesian Coordinating Minister for Economy, Finance and Industry Prof Dr Ginandjar Kartasasmita at Sri Perdana, here.

"This is temporary... to bridge the gap while waiting for the IMF financial assistance and upon receiving the IMF assistance, Indonesia will return the loan to us," he said.

Dr Mahathir however did not disclose the amount.

"Japan has given financial assistance to Indonesia and as there is a shortfall, Indonesia has asked our help. Malaysia cannot fulfil all but only part of it," he said.

Meanwhile, Ginandjar said he was sent by President Suharto to see Dr Mahathir and inform him of developments in Indonesia and the reforms the government was undertaking.

He also expressed Indonesia's gratitude to the Malaysian government for its support and assistance in helping to ease his country's economic problems.

He said that during the 45-minute meeting with Dr Mahathir, the problem of haze was also discussed.

"Discussions covered contingency plans to battle the problem, especially during the forthcoming Commonwealth Games here from Sept 11-21."

On the haze, Dr Mahathir said the Indonesian minister in charge of environment would be coming here to further discuss the matter with his Malaysian counterpart.

--BERNAMA

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