

22 MAR 1998

Anwar-Taiwan

TAIWAN EYEING MALAYSIAN BANKING SECTOR

KUALA LUMPUR, March 22 (Bernama) -- Taiwan's largest investment company, China Development Corporation (CDC), is considering investing in Malaysia's banking sector.

The matter was raised in a meeting between a CDC delegation led by its chairman, Dr Liu Tai-Ying, and Deputy Prime Minister Datuk Seri Anwar Ibrahim, who is also Finance Minister, here today.

They also discussed specific areas of investment by CDC in the wake of the economic slowdown in the region.

Anwar told reporters that he was pleased with the meeting and that they had discussed "specific proposals for investments."

"It is not a general discussion but some very specific proposals for investment. They have decided on what specific areas, industry, manufacturing and financial sector that they are coming in," he said.

When met later, Liu said he had discussed with Anwar the issue of liberalising foreign equity in the Malaysian banking sector.

"He promised that it will be looked into on a case-to-case basis," said Liu who wraps up a three-day visit here today.

Currently, foreign ownership in Malaysian banks is restricted to 30 per cent.

The CDC delegation is on an investment mission to the region. CDC is reportedly keen in investing US\$300 million in Thailand, Indonesia, Malaysia and the Philippines.

Liu, however, declined to reveal the size of Taiwan's additional investments in Malaysia and the other countries. Indonesia and Thailand are currently receiving aid from the International Monetary Fund.

Liu said Taiwan considered Malaysia as having one of the "best investment environment" within the region.

He said other area of investments that the CDC was looking into were hi-tech and energy-related industries.

On Friday, the CDC and RHB Sakura Merchant Bankers Bhd agreed to establish a venture capital business aimed at providing alternative financial source for high-technology companies, including those involved in the Multimedia Super Corridor.

CDC is an entity founded in 1959 by the World Bank, Morgan Guarantee and the Taiwanese government, to help build Taiwan's private sector.

It has a market capitalisation of more than US\$8.5 billion and currently manages around US\$1 billion worth of direct investments with over 240 investees.

During Taiwan's vice president Lien Chan's private visit here early this month, Prime Minister Datuk Seri Dr Mahathir Mohamad said Taiwan had the capability to help troubled Asean countries overcome their financial difficulties. -- BERNAMA

RAZ RM