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Daim, Mustapa leading missions to boost bonds

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FIRST Finance Minister Tun Daim Zainuddin and Second Finance Minister Datuk Mustapa Mohamed will lead two separate missions to promote the country's sovereign bond issue, Prime Minister Datuk Seri Dr Mahathir Mohamad said yesterday.

A third team led by senior Bank Negara officials would also be sent.

It is understood the first mission, to be led by Mustapa, will leave on Monday for, among others, Hong Kong, Tokyo, Frankfurt, Milan and New York.

Dr Mahathir said the feedback from international financial institutions showed they were not influenced by Malaysia's recent negative rating by international rating agencies.

"On the contrary, they have shown interest in buying our bonds. We are confident of selling them with a good spread," he said at a Press conference after opening the RM25 million nine-storey Selangor Umno building at Section 11 in Shah Alam yesterday.

The US\$2 billion bond issue is to raise funds to finance the additional development allocation for the remaining period of the Seventh Malaysia Plan.

The Government's development allocation will be increased by an additional RM22 billion to RM89.5 billion under the Plan.

Asked whether the Government was confident its bond issue would succeed, Dr Mahathir said: "We are more confident now; that's why we are going on a roadshow."

A separate statement from the Finance Ministry yesterday said Malaysia has filed with the United States Securities and Exchange Commission a shelf registration statement under Schedule B of the US Securities Act of 1933 for the issuance of up to US\$3.0 billion in debt securities, of which up to US\$2 billion will be issued initially.

The global bonds will be offered to investors in Asia, Europe and the US.

It also announced that US-based investment banker Salomon Smith Barney has been appointed as lead manager for the global bond offering.

Salomon Smith Barney, which is also the Government's financial adviser, will accompany the Malaysian mission on the roadshows.

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