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Japanese team begins evaluation

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A THREE-MEMBER delegation from the Japanese Finance Ministry, which is on a four-day visit, yesterday began evaluating Malaysia's request for funds under the US\$30 billion (US\$1 = RM3.80) Miyazawa financial package.

Led by the director of the ministry's International Markets Office, Mr Kishimoto Shuhei, the delegation, which arrived in Kuala Lumpur on Thursday night, met officials from the Finance Ministry and Bank Negara yesterday.

However, according to an official with the Japanese Embassy in Kuala Lumpur, the delegation is yet to meet First Finance Minister Tun Daim Zainuddin.

He also could not ascertain whether the meeting will take place today or tomorrow. The Japanese delegation will leave for Bangkok tomorrow.

According to a news report yesterday, the Japanese delegation was to meet Daim during the visit to iron out matters related to Malaysia's request for US\$5 billion under the package named after Japanese Finance Minister Kiichi Miyazawa.

The delegation is in Kuala Lumpur to get a comprehensive picture of the current economic and financial situation in Malaysia. This follows Prime Minister Datuk Seri Dr Mahathir Mohamad's remarks that Japan had been very slow in disbursing funds from the US\$30 billion Asian rescue package.

Dr Mahathir made the remarks in an interview with the Mainichi newspaper earlier this month.

Malaysia has asked for US\$5 billion for infrastructure projects under the package but, according to Dr Mahathir, "Malaysia's requests have to go through study after study, time and time again".

"By the time Malaysia eventually gets to see the money, the crisis will be over. Japan has to think about the effectiveness of its aid," Dr Mahathir said.

Miyazawa announced in October last year the loan facility to help revitalise Asian nations hit by the financial problems which shook the region since July 1997.

The package targets South Korea and four members of the Association of South-East Asian Nations (Asean) - Malaysia, Thailand, Indonesia and the Philippines.

In Frankfurt last week, Miyazawa expressed surprise when told by Second Finance Minister Datuk Mustapa Mohamed of the delay in the disbursement of funds for Malaysia.

Quoting Miyazawa, Mustapa said Malaysia was supposed to have started receiving the US\$5 billion at the end of last year.

"He (Miyazawa) appeared surprised that there had not been much movement and he said he would check. He thought that everything had been cleared for Malaysia and Thailand," Mustapa said. The two finance ministers were in the German city for the Asia-Europe Finance Ministers Meeting on January 16.

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