

01 OCT 1999

JBIC-MERGE

JBIC EXPECTS TO PROVIDE EFFICIENT RESPONSE AND REQUEST

KUALA LUMPUR, Oct 1 (Bernama) -- Japan Bank for International Cooperation (JBIC) was established today with the merging of Export-Import Bank of Japan (JEXIM) and Oversea Economic Cooperation Fund, Japan (OECF).

The merged firm expects to take advantage of the synergistic effect created by accumulated knowledge, operational know-how, global networks and other expertise transferred from the two organisations, said JBIC in a statement here today.

It will make use of its variety of financial tools and cross-border human networks, in a further effort to provide efficient and effective responses to requests from Japanese corporations and the global community.

The Japan cabinet has decided in March 1995 to merge JEXIM and OEFC and the preparatory work commenced and progressed steadily.

Both organisations played significant roles in Japan's external economic policy and cooperation, and now those operations have been transferred to JBIC, said the statement.

"Inheriting these operations from the two institutions, JBIC becomes the core organisation responsible for the country's external economic policy and cooperation activities," said the statement.

JBIC will conduct its operations on two strictly-separated accounts for "International Financial Operations" formerly performed by JEXIM and "Overseas Economic Operations" formerly performed by OEFC.

OEFC has provided a total of 16 packages of developing areas overseas (ODA) loans to Malaysia, starting with the first in 1969.

The cumulative total of ODA loan commitments to Malaysia has been the sixth largest among the recipient countries of ODA loan.

Aid provided under these loans to Malaysia has been focused on project loans of infrastructure improvement especially for the electricity and gas sector with approximately half of the total loans targeted for this sector.

Against the background of the currency crisis, the Malaysian government has requested ODA loans in 1998 for the first time in four years and Japan responded positively.

On the occasion of Japan-ASEAN Summit meeting on Dec 1998, Japan's Prime Minister Obuchi pledged Prime Minister Datuk Seri Dr Mahathir Mohamad seven ODA loans of up 117 billion yen, the amount larger than any other previous package.

The seven ODA loans target human resources development, infrastructure development, which contributed to environmental improvement and support for small and medium scale industry.--BERNAMA

LES KTC