

04 JUN 1999

Mahathir-Bonds

MALAYSIA NOT DECIDED YET ON SECOND ROUND OF BOND ISSUE

SEPANG, June 4 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad said today Malaysia has not decided yet on a second bond issue, after having successfully launched a US\$1 billion 10-year global bond in New York last week.

He also said, in the event of a second bond issue, it has not been decided whether the issue would be denominated in yen, euro or US dollar.

"No, we have not decided on this, but I have discussed with (Eisuke) Sakakibara (Japanese Vice Minister of Finance) because the Japanese government is willing to partially guarantee any issue of bonds by Malaysia, whether it is in yen, euro or US dollar," he told reporters here on his return from a seven-day visit to Japan.

Dr Mahathir said Malaysia tapped the international bond market not just to raise funds, but more importantly to establish a benchmark for the country's credit rating.

Asked if there will be a second bond issue, Dr Mahathir said: "We will see if the market is good or not."

"Actually, we want to establish a benchmark...it is not that we really need the money. We have to go to the market to show what is our worth and what is our rating," he said.

The interest shown by Japan came a week after Malaysia's US\$1 billion global bond issue was oversubscribed by three times, and this further heightened the level of foreign investor confidence in the Malaysian economy.

Malaysia is among the major recipients of funds from Japan's Miyazawa initiative -- a US\$30 billion two-year aid package for Asia which was announced last October by Japanese Finance Minister Kiichi Miyazawa.

-- BERNAMA

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