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PM-BOND ISSUE

THREE TEAMS TO PROMOTE BOND ISSUE, SAYS PM

By: Mohd Rizal Razalli

SHAH ALAM, May 13 (Bernama) -- Malaysia will send three teams to promote its sovereign bond issue, said Prime Minister Datuk Seri Dr Mahathir Mohamad today.

He also said he is confident of good response for the bonds.

The first team will be led by the First Finance Minister, Tun Daim Zainuddin, the second by the Second Finance Minister, Datuk Mustapa Mohamed, and the third by top Bank Negara Malaysia officials.

On when would the road show start, the prime minister said it is being looked into.

The government had "tested the waters" by getting feedback from international financial institutions, he told reporters after opening the new Selangor UMNO building here.

Information received showed that they are not influenced by the negative ratings made by certain international rating agencies and are keen to subscribe to Malaysian sovereign bonds instead, he said.

"We believe we can sell our bonds at a favourable spread," he added.

Dr Mahathir said when Malaysia previously wanted to send teams to promote its sovereign bonds, international rating agencies like Moody's and Standard & Poor's downgraded the country's credit ratings.

He said if Malaysia had persisted in issuing bonds then, it would have to pay high interest rates at around 15 percent.

Meanwhile, Mustapa was quoted as saying that he would embark on a 10-day roadshow to five countries for the US\$2 billion bond issue (RM7.6 billion) from Monday. Mustapa's team will be in Hong Kong, Tokyo, Milan, Frankfurt, Boston and New York.

Mustapa said government's financial adviser, Salomon Smith Barney, has registered with Securities and Exchange Commission in Washington on May 11 to state Malaysia's decision to issue the bonds. -- BERNAMA

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