

18/01/1999

Tokyo to probe delay of rescue package disbursement

P.Selvarani in London

JAPAN has promised to look into the reason why its US\$30 billion (RM114 billion) fund under its Asia rescue package has yet to be disbursed.

Japanese Finance Minister Kiichi Miyazawa was surprised that Malaysia had yet to receive its portion of the fund aimed at helping Asian countries recover from the economic crisis, said Second Finance Minister Datuk Mustapa Mohamed.

"He appeared surprised that there had not been much movement and he said he would check it.

"He thought that everything had been cleared for Malaysia and Thailand," added Mustapa on Saturday.

He was speaking to reporters here during transit to Malaysia after attending the two-day Asia-Europe Finance Ministers Meeting in Frankfurt, Germany.

Mustapa had earlier in the morning met Miyazawa in Frankfurt where the Japanese Finance Minister had expressed his surprise and promise to look into the matter.

Mustapa said some of the US\$5 billion that Malaysia was scheduled to receive should have been given out by the end of last year.

Prime Minister Datuk Seri Dr Mahathir Mohamad had stated in an interview published in Japan's Mainichi newspaper last Wednesday that Japan's US\$30 billion Asian rescue package was so "slow-footed" that the financial crisis would be over before it was spent.

"The package was 'very effective' for Asian countries," Dr Mahathir had told the newspaper. "But it has to be dispersed in time," he warned, complaining about delay and excessive red tape.

Malaysia had requested a US\$5 billion loan facility for infrastructure projects. "But we 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 money," Dr Mahathir had stated.

A Japanese Finance Ministry official was also quoted in a foreign news agency report as saying that the Japanese Government could not "just hand out the money without having a detailed plan from each country on how it will proceed with economic reconstruction."

"We decided to give the money to help Asia economically, and countries must present us a clear, detailed plan on how they are going to use the money for the economic improvement," the official stated.

Miyazawa had announced the US\$30 billion loan facility last October to help Asian countries recover from the crisis.

(END)