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MDV-MILLION

MALAYSIA DEBT VENTURES EYES APPLICATIONS ABOVE RM1 MLN

KUALA LUMPUR, Aug 30 (Bernama) -- Malaysia Debt Ventures Bhd (MDV), which was officially launched by Prime Minister Datuk Seri Dr Mahathir Mohamad today, wants to attract applications above RM1 million each under the Japan-backed RM1.6 billion information and communications technology (ICT) fund.

"We would like to see applications above RM1 million," said MDV managing director and chief executive officer Jiro Suzuki.

He said for applications above RM120 million for a single project, MDV would have to refer to Japan Bank for International Cooperation (JBIC).

So far, MDV has received indicated interest from about 40 would-be borrowers, he said at a press conference after the launch.

MDV, a wholly-owned subsidiary of Minister of Finance Incorporated, is the manager of the RM1.6 billion ICT Fund.

The RM1.6 billion loan was extended by the Japanese government via JBIC to the Malaysian government in February this year.

Suzuki said the total loan tenure between both the governments was for 12 years.

The ICT Fund provides innovative financing for contract-based, high value-added turnkey or outright purchase ICT projects for entrepreneurs in both the public and private sectors.

There are three types of financing covers under the fund -- project-based loans, guarantees to banks, and export finance.

Suzuki said the fund is opened to any company or entrepreneur "touched" by ICT.

"It's not only for the narrow ICT sector confined to software developers and technopreneurs," he said.

The companies can be start-ups, publicly-listed, with or without MSC status, or Malaysian-incorporated companies that are 100 percent-owned by foreigners.

Suzuki said MDV had received the first tranche of the fund totalling RM311 million. He was confident that the amount could be fully disbursed within a year.

The interest charged would be lower than that of financial institutions.

Meanwhile, MDV chairman Dr Abdul Samad Alias said MDV would adopt a fast-track and timely process of approval, termed as "four weeks due diligence and decision-making".

"We realise that to be a world-class innovative financier and development facilitator, we have to be proactive and not wait for loan applications to come marching in," he said.

Unlike traditional financial institutions, he said, there was no specific requirement on corporate history. However, MDV would emphasise management strength and technical experience.

MDV began life last year as a division of Malaysia Venture Capital Management Bhd (MAVCAP).

It had been mandated solely to carry out debt ventures and was established on April 23 this year. -- BERNAMA

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