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No plan to raise funds abroad: Dr M

PRIME Minister Datuk Seri Dr Mahathir Mohamad said the Government has no plan to raise funds abroad by issuing bonds although the country's credit ratings have improved.

"Actually, we don't need to borrow money. Even if we want to borrow, we can borrow within the country," he said.

However, he said sometimes the Government does borrow abroad to benchmark the country's credit worthiness.

Recently, Standards & Poor's raised Malaysia's long-term foreign currency debt rating to BBB plus, the highest level since July 1998.

Fitch Ratings Ltd, meanwhile, upgraded Malaysia's sovereign rating to BBB plus from BBB and the local currency rating to A from A minus.

Dr Mahathir said there is a lot of money available domestically that fund managers find it hard to invest.

He said the Employees Provident Fund (EPF) will have RM210 billion in its coffers by year-end and it has to look for instruments to invest its funds.

"If we need to borrow, it is easier for us to borrow within the country than to go abroad," he said.

The EPF, the largest state-owned pension fund, has been the significant financier of economic development.

Although its investment in Malaysian Government Securities had dropped from 79.16 per cent of total investments in 1990 to 34 per cent by 2000, the EPF continues to be a major source of financing for the Government's development expenditure as the bulk of its investments is still in government papers.