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Malaysia-Money

MALAYSIA PLEDGES THIRD LARGEST AMOUNT FOR LEBANON

By: Wan A Hulaimi

PARIS, Nov 23 (Bernama) -- Malaysia has offered the third largest figure of US\$300 million among pledging countries at the one-day Paris II conference for the reconstruction of Lebanon, held at the French Presidential Elysee Palace here today.

The biggest loan pledge came from Saudi Arabia with US\$700 million, followed by France with US\$500 million.

Prime Minister Datuk Seri Dr Mahathir Mohamad said after the morning meeting that he would have a further meeting with Lebanon President Rafiq Hariri today to explore other areas of technical aid that Malaysia could offer to the country, which has been devastated by 15 years of civil war and an Israeli invasion.

Speaking here Friday, Foreign Minister Datuk Seri Syed Hamid Albar said that other areas where Malaysia could be helpful were IT development and tourism.

Eighteen countries including the United Kingdom, the United States, France, Saudi Arabia, Kuwait and the Gulf States are at the meeting, which is also attended by representatives of five financial and monetary agencies including the IMF and the World Bank.

"Lebanon has a debt burden at 140 percent of its GDP which is not sustainable. They are using 80 percent of their revenue to pay debts, which makes reconstruction difficult. The only way for them to recover is through a restructuring loan at low interest," Dr Mahathir said.

Commenting on Malaysia's offer of the loan, he said that in 1987 Malaysia gave a similar loan of US\$1 billion to Thailand and a similar amount to Indonesia, but the latter was not disbursed.

"With the countries' offering of loans ranging from US\$200 million to US\$700 million this morning, I hope Lebanon will now be able to lighten its debt burden," he added.

In the past Malaysia had been helping the country by subscribing to Lebanese bonds.

"We know they are good paymasters. They never defaulted," Dr Mahathir said.

France stood alone among developed countries at the conference today as a contributor country to the restructuring scheme.

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