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JAMALUDIN-INVESTORS

INSTITUTIONAL INVESTORS GIVE THUMBS UP FOR BUDGET 2004

By: Mohd Arshi Daud

DUBAI (UAE) Sept 22 (Bernama) -- The international investment community had given their vote of approval for the 2004 Budget, Second Finance Minister, Datuk Dr Jamaludin Jarjis said today.

"This shows the rising belief in our economy and the leadership under Prime Minister Datuk Seri Dr Mahathir Mohamad, and they have even confirmed that the bond spread has tightened as a result," Dr Jamaludin told the Malaysian media after meeting the investors on the sidelines of the World Bank/International Monetary Fund here.

Dr Jamaludin met officials from 11 investment companies on yesterday and today which comprise of Bank of Tokyo Mitsubishi, Barclays, BNP Paribas, Citigroup, Credit Suisse First Boston, HSBC, Morgan Stanley, Standard Chartered, Merrill Lynch, Dresdner Kleinwort Wassertein and UBS AG.

Under the 2004 Budget, the government had among other things, pledged to tighten its belt to achieve a balance budget by 2006 following years of budget deficit since 1998.

The tighter bond spread means a cheaper cost of borrowing should the government decide to borrow funds from external sources.

The officials, who have good insights of the world financial market, asked the minister on the timing for the government's second issue of Islamic sovereign bond or sukuk.

"There are some who ask about it but I said there is no need for that at moment and we will rely on our local resources first.

"But for benchmarking or roll over (of existing borrowing), we will see in the future," he added.

In 2002, the Malaysian government had issued US\$600million sukuk, which was twice over-subscribed by the international investing community. Malaysia's Prime Minister, Datuk Seri Dr Mahathir Mohamad had said that the government won't launch an Islamic sovereign bond this year.

The government was reported to be keen on issuing the euro-denominated Islamic bond amounting to between EUR550 million to EUR600 million.

Dr Jamaludin, who is leading the Malaysian delegation to the World Bank/IMF meeting here said that he would propose to the cabinet that Malaysia bid to be the host of the World Bank/IMF meeting in 2012.

"We have the facilities, experience and ability to host an international meeting like the NAM (Non-Aligned Movement) and OIC (Organisation of Islamic Conference).

"We are bidding for the next one in 2012. The rationale is it will put Malaysia in the world map because we will become the hub for Islamic financial services," he said.

Turning to the unanimous decision by finance ministers attending the World Bank/IMF meeting here to support multilateral effort to reconstruct and redevelop Iraq, he said this should be conducted under Millennium Development Goals (MDGs).

MDGs involves an ambitious agenda for reducing poverty and improving people's lives that world leaders agreed on at the Millennium Summit in September 2000. It called for halving the global incidence of poverty and for broad improvements in human development by 2015. -- BERNAMA

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