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PM: Invest in infrastructure

Islamic finance model suited for such purpose, says Najib

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SIM LEOI LEOI
in Japan



SENDAI: Asian countries need to invest in infrastructure using funds from whatever source they can secure, said the Prime Minister.

Addressing the World Islamic Economic Forum (WIEF) Roundtable here, Datuk Seri Najib Tun Razak said while he understood and respected that Japan had reservations about the Asian Infrastructure Investment Bank (AIIB) proposed and set up by China, the important thing was how Japan and China could set aside more money for infrastructure projects elsewhere.

He had earlier told students that he did not see Japan, which pledged US\$110bil (RM339.35bil) for infrastructure development through the Asian Development Bank, as being in competition with China.

"They should complement each other in how we can source funds from both.

"We need a huge amount of funds for infrastructure development.

"But regardless of the vehicle, it is apparent that Asian countries need to invest in tangible infrastructure assets," said Najib, who added that lenders should seriously consider Islamic principles in business.



Say cheese: Najib and Rosmah posing for a picture before boarding the Shinkansen train to Sendai as Liow (left) looks on. — Bernama

"The Islamic finance model is eminently suited for these purposes, being able to command better financing terms given its inherent asset-backed nature," he said yesterday at the roundtable organised by WIEF-Alliance Forum Foundation that is the first to be held in Tokyo.

The Prime Minister arrived here on the state-of-the-art Hayabusa Super Express train that only took 96 minutes to whisk the Malaysian delegation from Tokyo, 302km

away. A journey by car would have taken four hours.

Najib, who was accompanied by his wife Datin Seri Rosmah Mansor, Transport Minister Datuk Seri Liow Tiong Lai and Minister in the Prime Minister's Department Datuk Seri Idris Jala, was briefed by JR East chief executive officer Tetsuro Tomita on the Shinkansen technology as well as the development around Tokyo Station, which is the main inter-city hub.

JR East has 1,194km of Shinkansen

tracks, carrying some 217,000 passengers daily in up to 415 trains a day. The Japanese government had been promoting the Shinkansen for the proposed 330km high-speed rail line between Kuala Lumpur and Singapore, which is expected to be completed after 2020.

Malaysia and Singapore are expected to sign a memorandum of understanding on this by the end of the year.

Najib and Rosmah flew back to Malaysia later in the day.