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SAMURAI BONDS

Envoy: Japan's trust in new govt will lead to more financial aid

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KUALA LUMPUR: Japan's confidence in the leadership of Prime Minister Tun Dr Mahathir Mohamad will lead to financial aid packages to Malaysia, including the issuance of Samurai bonds, said Japanese ambassador to Malaysia Dr Makio Miyagawa.

The RM7.4 billion yen-denominated bonds, expected to be issued before March, would not only help reduce the high financial burden Malaysia was experiencing through its commitments by the previous government, but would also invite Japanese investors to return to Malaysia, he said.

Talks between Finance Minister Lim Guan Eng and him had reached an agreement on the issuance of the 10-year bond, Miyagawa told Bernama.

"Malaysia's Finance Ministry is moving towards issuing yen-denominated bonds in the Tokyo market to ensure substantial financial resources to replace the very high interest rate debt, which the Malaysian government ran into



Makio Miyagawa

under the previous government," he said.

Miyagawa said the second pillar of the financial package would come in the form of the Japanese government's official loans to fund sizeable projects and programmes with low interest rates and long repayment periods, including for some educational and human resources development programmes.

He made observations about Malaysia following Dr Mahathir's return to power in May, saying: "The new government has saved the country from falling into a deep cliff of debt and started to hoist a fresh flag of new policy platform for justice, fairness and governance to guide Malaysia to a sound path of growth."

He said this restored internal and international confidence in democracy in Malaysia, thus opening up possibilities of interaction with regional and global players.

Miyagawa said the enthusiasm among Japanese industries in

seeking and expanding investments in Malaysia had resumed with the new government.

"While industries of both countries share a tight relationship, Japanese companies had hesitated to invest in recent years due to the political turbulence in Malaysia.

"But after the general election, our investors have started to cast a fresh look at investing in Malaysia."

He attributed this trend to the policies of the new administration, which commits itself to transparency, justice and the rule of law. **Bernama**