

RM7.4 bln Samurai Bonds to 'retire' loans from previous govt - Tun M

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KUALA LUMPUR, Nov 2 (Bernama) -- The RM7.4 billion Samurai bonds received by the government will be used to retire some of the costly loans taken by the previous government, said Prime Minister Prime Minister Tun Dr Mahathir Mohamad.

Speaking to reporters after the tabling of the 2019 Budget here today, he said at a 0.65 per cent interest rate, the number is a very considerable reduction.

“The previous government borrowed money at the rate of six per cent, but, instead of getting 100 per cent of the money borrowed, we got only 90 per cent.

“So, the interest is on 100 per cent, when the rate has gone up to seven per cent . Now between seven per cent and 0.65 per cent, I think you realise this is a very considerable reduction,” he said.

The government has extended its appreciation to the Japanese government for the offer to guarantee ¥200 billion (RM7.4 billion) in the issuance of Samurai bonds over a 10-year period.

When tabling the budget in Parliament today, Finance Minister Lim Guan Eng said this was due to the confidence in the administration and leadership of Dr Mahathir.

The Samurai bonds will be guaranteed by the Japan Bank of International Cooperation, at a coupon rate of 0.65 per cent, and is expected to be published before March next year,” he said when tabling the budget.

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