

## **Samurai bonds provide many benefits for Malaysia - Dr M**

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**From Kamarul Ariffin Md Yassin**

TOKYO, Nov 7 (Bernama) – Prime Minister Tun Dr Mahathir Mohamad said the offer to guarantee the Samurai bonds issue by the Japanese Government to Malaysia will provide many benefits to the country especially in reducing its financial burden and for its development.

He said the cheapest bond with an indicative coupon rate of 0.65 per cent was favourable compared with the old debts which were pegged at a high interest rate of up to seven per cent.

“If we could change from high interest with low interest (rate), we are able to reduce the country’s burden to service the loan. The bonds can be used for whatever projects that we have,” he told Malaysia journalists here, Wednesday, on the last day of his three-day working visit to Japan.

Dr Mahathir said there were two types of loans from Japan including the Samurai bonds which will be guaranteed by a Japanese banking institution.

“They also have ODA (Official Development Assistance)...that will also help if we have specific projects. If we get the ODA assistance...the loans are charged low interest rate, may be one to 1.5 per cent or less,” he said.

The Japanese Government has offered to guarantee up to 200 billion yen (RM7.4 billion) of Samurai bonds with a 10-year tenure.

The yen-denominated bonds will be guaranteed by Japan Bank of International Cooperation at an indicative coupon rate of 0.65 per cent and are expected to be issued before March

next year.

Malaysia has voiced its interest to secure the yen-denominated loans during the first meeting between Dr Mahathir and Japanese Prime Minister Shinzo Abe in June this year in efforts to address the country's debt woes.

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