

SPEECH BY: DATO' SERI DR MAHATHIR MOHAMAD
(PRIME MINISTER)

EVENT: THE OFFICIAL LAUNCH OF MALAYSIA DEBT VENTURES BERHAD

VENUE: KUALA LUMPUR

DATE: 30 AUG 2002

TIME:

I would like to thank the Board of Directors and the management of Malaysia Debt Ventures Berhad (MDV) for their gracious invitation. It is a privilege for me to address this gathering on this auspicious occasion, where Asia's first ever scheme for project debt financing is officially launched. This occasion is especially significant because the setting up of Malaysia Debt Ventures Berhad augments the good and faithful relations between Malaysia and Japan.

2. This commitment towards good relations between our two nations is most timely since the generous helping hand of the Government of Japan comes at a time when the global economic outlook is uncertain. We are grateful that the Japanese government, through the Japan Bank for International Cooperation (JBIC) has extended a loan agreement totaling USD420 million (RM1.6 billion), to the Government of Malaysia.

3. I am glad to note that this groundbreaking project debt financing will be the test-bed for innovative financial solutions for ICT and high-growth sector technology companies in Asia and emerging market countries. I believe the loan will prove a useful means to provide much-needed financing for companies involved in the ICT and high growth sectors to undertake projects to develop innovative solutions and products.

4. Malaysians have always admired the Japanese spirit of innovation. Never before has this spirit been more needed than in the field of ICT and, more recently, in the life sciences and biotechnology. This can only happen in an atmosphere of global peace and economic stability.

5. The ICT and biotechnology sectors require entrepreneurs who not only possess relevant educational qualifications, but also are imbued with a natural sense of adventure, are innovative and creative and are willing to face failures and setbacks.

6. While Malaysians celebrate the 45th year of Independence from colonial rule, young Malaysians born in the freedom and prosperity of an independent

Malaysia have been fortunate to have never experienced the humiliation and sufferings of their forefathers.

7. They have grown up in a free country - free from colonial rule, free from fear, free from hunger, free from ignorance and free from humiliation. These young Malaysians can now walk with their head held high, facing the world with dignity.

8. They are the reason why we established the Multimedia Super Corridor, a project for the future which will benefit the future generation most of all.

9. Malaysia's success in the ICT sector and the emerging biotechnology sector will depend on the cravings for challenges that reside within our local entrepreneurs. I am confident that the user-friendly financing facility offered by Malaysia Debt Ventures will help in the achievement of success for their enterprises.

10. It is this "hunger" for success that will drive Malaysian entrepreneurs to come up with new ideas and to be innovative as well as creative in any field they dare to venture. To our young Malaysians out there, I say "You need to be daring enough to push the limits of the envelope, to go beyond the horizon. You just might discover something new that can do the nation proud!"

11. The nation has learnt much from the experience of the MSC and with the impending development of the Bio-Valley, we believe Malaysia is well on the way towards bridging the international information and digital divide.

12. Every year, the Malaysian Government allocates a substantial amount towards the development of ICT in the country. In the 8th Malaysia Plan, a total of RM7 billion has been allocated for the ICT sector.

13. The emphasis that the government places on ICT, and now biotechnology, is not decided upon arbitrarily. Financing is a major hurdle for local enterprises and we realise that for this sector to grow, the local financial industry must also respond proactively.

14. We realise that traditional financial institutions including banks and venture capital firms are working at their own pace in providing the financial support required by various ICT companies. With the setting up of Malaysia Debt Ventures Berhad, armed with the RM1.6 billion-loan facility provided by the Government of Japan, those companies, which successfully secure high value-added ICT businesses and contracts can now access this ample fund and grow at a much faster pace.

15. It heartens me to know that Malaysia Debt Ventures

Berhad can provide not only an alternative source of financing that meets the cash strapped entrepreneurs halfway but also complementing the other financing offered by banks and Venture Capitals. Collateral to secure a loan is flexible and only requires contracts, personal or corporate guarantees, Letter of Credit, Intellectual Property Rights and assignment of receivables.

16. The Japanese Government has kindly provided us with this loan facility and I hope Malaysia Debt Ventures Berhad and more importantly the recipients of the fund, will take full responsibility and be accountable for the fund. Maintaining transparency and professionalism are important. Success does not come easy on a silver platter. Success can only be achieved through hard work and perseverance.

17. The good news is that MDV also aims to transfer knowledge to local financial institutions and ICT companies to enable them to be self-sustaining. As an active financial institution, it is my hope that MDV will venture beyond giving out loans but also seek out companies in need of financing as well as initiate ICT projects in the public and private sectors.

18. I am confident that this practice of good corporate governance, even in the early stages of business, will certainly go far towards promoting investor confidence while instilling discipline and accountability among entrepreneurs.

19. I take this opportunity to congratulate the Board of Directors and Management of Malaysia Debt Ventures Berhad on their untiring efforts to bring greater meaning to the Government's initiatives. My congratulations also to Mr. Jiro Suzuki and his team for their tenacity and vigour towards ensuring the success of today's event.

20. On that note, I am pleased to officially launch Malaysia Debt Ventures Berhad.