

Malaysia

AJDF Category B (Bank Pembangunan Malaysia Berhad)

Report date: March 2001

Field survey: August 2000

1. Project Profile and Japan's ODA Loan



Project Area Location Map



Plastic goods manufacturing plant in the suburbs of Kuala Lumpur

1.1. Background

Insufficient development of small- and medium-sized domestic enterprises has been pointed out as its structural problem in Malaysia. The majority of manufactured goods exports are electrical, electronic equipment and textiles. Since few inter-industry relations exist among assembly type manufacturing industries, small- and medium-sized enterprises that should form the foundation of these industries have not been developed. Under these circumstances, the government of Malaysia considered this project as one under which loans would be provided at a preferential interest rate as investment funds to promote capital investment in the manufactory sector and to enhance productivity in line with the Malaysia's development policies, especially the policy for small-medium enterprises. In addition, they expected that this project would offer domestic financial institutions an opportunity to shift the focus of their financing with a view to expanding the productive capacity of the country through, in particular, export promotion and the development of growth industries.

Japan, on its part, established the ASEAN-Japan Development Fund (AJDF) as part of its financial recycling scheme with the aim of helping ASEAN nations promote regional economic cooperation and private sector development, and accordingly, the decision was made to provide financial assistance¹ (Category B-the portion of a project contributing to the development of the private sector which is covered by Japan's ODA loan ("the ODA loan")).

¹ Category A covers projects contributing to the promotion of regional economic cooperation and Category B covers projects contributing to the development of the private sectors.

1.2. Objectives

The objective of the project was to provide long-term low-interest capital funds mainly to small- and medium-sized enterprises in Malaysia through Bank Pembangunan & Infrastruktur (BPI, the Development Bank), a governmental development financial institution, thus promoting their businesses.

1.3. Project Scope

The ODA loan covers the source fund of sub-loans which is necessary for the implementation of the project and the funds for consulting services.

Eligibility: Enterprises with at least 51% of Malaysian shareholding and paid-up capital not exceeding M\$5 million

Eligible Industries: Product manufacturing of metals, machine parts, woodwork, foods, chemicals, plastics, rubbers, etc. and tourism

Items Covered by Loans: Capital investment and building (excluding land)

Terms and Conditions:

- (1) Loan amount: up to M\$5 million
- (2) Interest rate: 6.5% per annum (upper limit)
- (3) Period: over 1 year up to 15 years (grace period up to 3 years)
- (4) Percentage of financing: less than 75% of necessary funds

1.4. Borrower/Executing Agency

Bank Pembangunan & Infrastruktire (guaranteed by the government of Malaysia)

1.5. Outline of Loan Agreement

Loan amount/Loan disbursed amount	¥10.442 billion/¥10.431 billion
Exchange of notes/Loan agreement	December 1988/December 1988
Terms and conditions	Interest Rate: 3.5%, Repayment period (grace period): 25 years (7 years), General untied
Final disbursement date	February 1994

2. Results and Evaluation

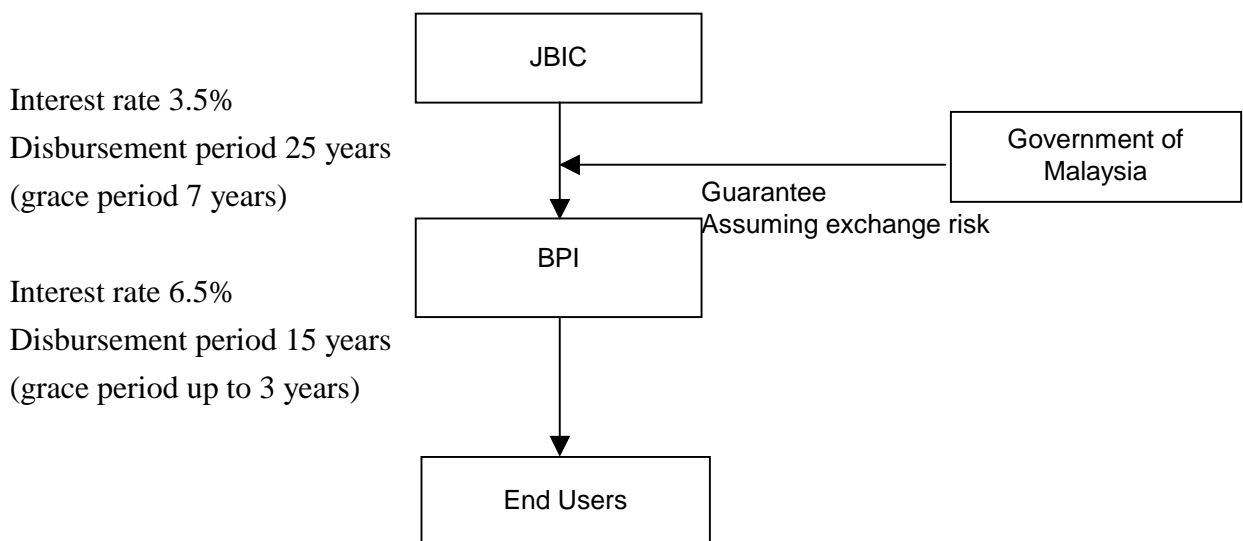
2.1. Relevance

The 1st Industrial Master Plan (IMP) for 1986-1995 laid out the outline of development of wide-ranging manufacturing sectors in line with the policy to promote export-oriented industrialization. Based on that outline, development of small- and medium-sized enterprises was promoted with the aim of strengthening inter-industry relations. The project was implemented as a financing support project to promote capital investment of underdeveloped small- and medium-sized local enterprises as part of the national policy to develop such enterprises. The project plan was relevant in that it aimed to provide fixed funds at a low rate of interest to small- and

medium-sized enterprises that had difficulty in obtaining access to such funds. The 2nd Industrial Master Plan (IMP2) for 1996-2005 was drawn up upon completion of IMP. IMP2 set the target of increasing value added particularly in manufacturing sectors, under which more capital-intensive industrialization strategies were carried out in order to deal with the shortage of unskilled labor. These strategies were promoted especially strongly in the area of electrical and electronic manufacturing including computer related manufacturing.² Capital investment of small- and medium-sized enterprises in manufacturing sectors, which form the wide-reaching foundations of the industry, remains very important today and, therefore, the project has maintained its relevancy to the present.

2.2. Efficiency

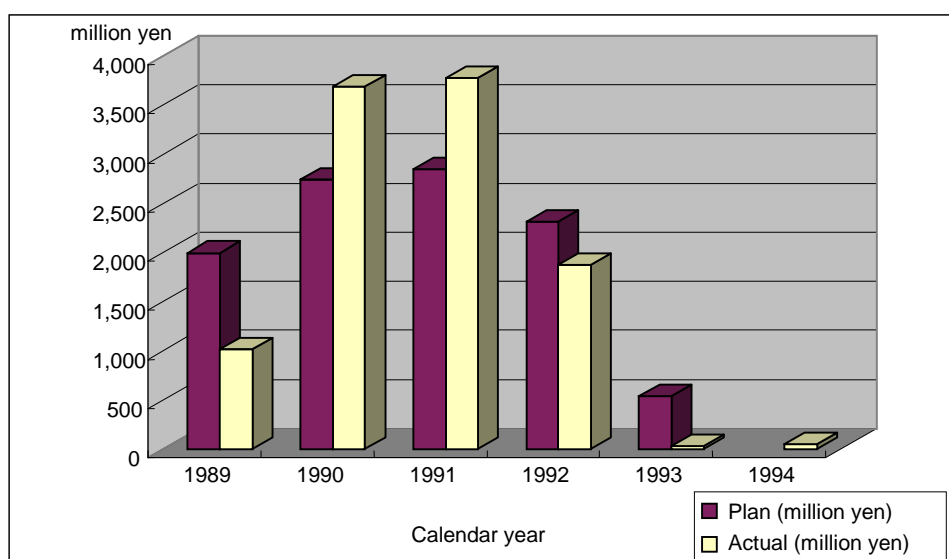
Figure 1 Implementation Scheme



The ODA loan was scheduled to be disbursed over a 5-year period from 1989 to 1993. As shown in Figure 2, the disbursement was implemented mostly in accordance with the disbursement schedule which was planned at the time of appraisal.

² "The Central Bank and the Financial system in Malaysia" Bank Negara Malaysia, 1999

Figure 2 Comparison of Original and Actual Disbursement



Source: JBIC's data

Note: Amounts are based on the disbursed amounts of the ODA loan

First loan disbursement using ASEAN-Japan Development Fund (AJDF) was provided during the period when Malaysia was enjoying high economic growth and there was a great demand for funds. On the other hand, open market rates were high and the availability of low-interest funds was limited. These situations are considered to be the primary factors underpinning the efficient implementation of the project. Table 1 shows changes in the Base Lending Rate (BLR) and the Average Lending Rate (ALR) of commercial banks and the growth rates of GDP and manufacturing industries from 1988 to 1993. Since 1988, the BLR and ALR of commercial banks have been maintained at around 7-9% and 8-10% respectively. Offering loans with the annual interest rate fixed at 6.5% during this period meant providing small- and medium-sized enterprises, which have less access to funds than large enterprises, with a favorable opportunity to procure funds for investment. Above all, the Malaysian economy was growing rapidly at that time, as shown in the bottom column of Table 1, creating a great demand for funds.

Table 1 Changes in Interest Rates and Growth Rates of GDP, etc.

Year		1988	1989	1990	1991	1992	1993
Commercial banks	BLR	7.0	7.0	7.5	8.7	9.3	8.2
	ALR	9.0	8.7	9.0	9.7	10.3	9.7
Growth rate of GDP (%)		9.9	9.1	9.0	9.5	8.9	9.9
Growth rate of the manufacturing industry (%)		17.0	20.3	15.3	14.0	7.0	14.6

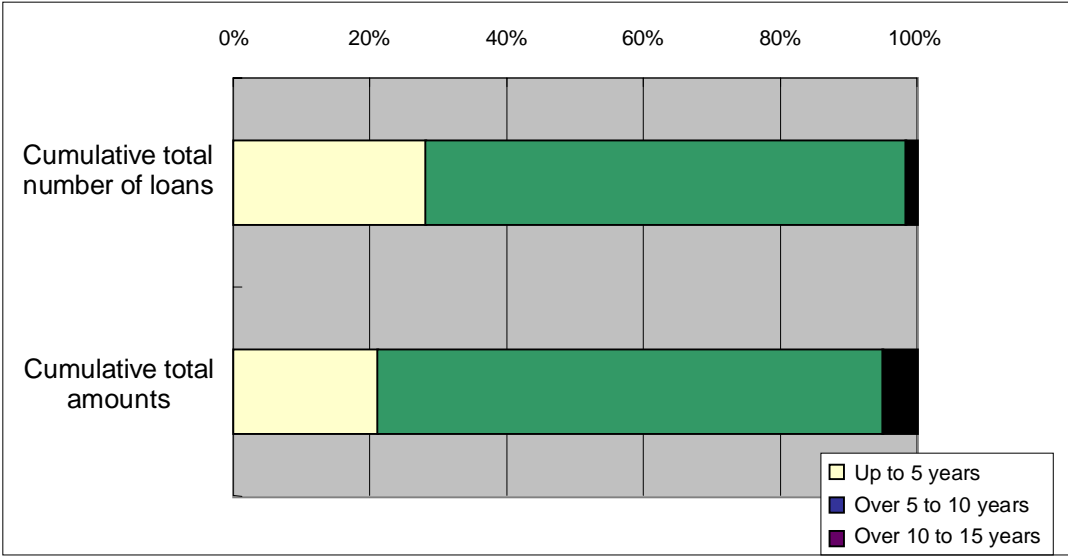
Source: Bank Negara Malaysia (BNM) for interest rates and Department of Statistics for GDP statistics

Note: BLR and ARL are as of the end of each year.

Compared with other policy financing schemes available from 1988 to 1993, the AJDF project, which included non-Malaysian enterprises among eligible borrowers if they satisfied the conditions “enterprises with at least 51% of Malaysian shareholding”, was more attractive and convenient until 1993, at which time a policy financing scheme financed by Ministry of International Trade and Industry (MITI) of Malaysia was introduced (borrowers were not required to be enterprises with Malaysian capital and the interest rate was 4% per annum).

Figure 3 is the classification of sub-loans covered by the first loan disbursement³ by repayment period based on the cumulative total of actually approved loans as of December 1991⁴. It shows that sub-loans with a repayment period of more than 5 years and up to 10 years accounted for 65.7% in terms of the number of loans and 69.8% in terms of amount, evidencing that medium and long-term loans were extended to small- and medium-sized enterprises that otherwise had little access to such loans.

Figure 3 Classification of Sub-loans by Repayment Period



Source: BPI

Note: Percentages for cumulative totals of loans and the ratio of cumulative totals of loan amounts refer to the ratios of the number and amount of sub-loans of each category of repayment period against the cumulative total of all sub-loans approved by the end of December 1991.

BPI provided all sub-loans for the first loan disbursement using the AJDF fund. This enabled the executing agency to disburse sub-loans promptly and to receive funds from the ODA loan as quickly as possible, thus contributing to the efficient implementation of

³ Financing using the ODA loan as the source of funds and excluding the funds repaid by end users to the source fund
⁴ No data on loans limited to the primary borrowers have been obtained. These data and the data on financing results presented in the section on “Effectiveness” are based on the relevant data for January 1989 to December 1991 which are classified by BPI as the data on first disbursement loans in its progress report. In analyzing the trends of first loan disbursement, there does not appear to be a significant difference in these data in terms of the affect of the analysis.

the project. In addition, the risk of exchange fluctuation was assumed by the government when providing funds under the AJDF projects. The Malaysian government's commitment to the development of small- and medium-sized enterprises on a long-term basis was one of the important factors which contributed to the success of the project.

2.3. Effectiveness

(2.3.1.) Results of Financing

Followings are the analyses of the status of sub-loan disbursement by type of business, number of employees and amount of sub-loans. All data are cumulative totals of the number of cases and amounts that have been approved by BPI under the first loan disbursement (January 1989 to December 1991) as reported in semiannual progress reports submitted to JBIC.

(a) Status of financing by type of business

Table 2 is a comparison between the ODA loan disbursement plan (cumulative total amount from 1989 to 1992) submitted by the Malaysian side along with the request for the loan and the actually approved disbursement under BPI's first loan disbursement (1989 to 1991) by type of business.

Table 2 Comparison of Financing Plan and Actual Results by Type of Business

Plan	Cumulative total of disbursement plan (M\$ million)	Ratio	Actual	Cumulative total of approved amount (M\$ million)	Ratio
Foods	52	27%	Foods	27	11%
Woodwork	7	4%	Woodwork and furniture	27	11%
Chemicals, plastics and rubber goods	39	20%	Chemicals and pharmaceuticals	39	16%
Tourism	14	7%	Rubber goods	15	6%
Paper products, printing and publishing	10	5%	Tourism	37	16%
Textile and leather goods	15	8%	Paper and printing	24	10%
Electrical and electronic equipment	9	5%	Textile, clothing and apparel	14	6%
Base metal processing and metals	22	11%	Electronics	10	4%
Nonferrous metal products	19	10%	Engineering, metal processing and assembly	28	12%
Quarrying	4	2%	Others	17	7%
Other manufacturing	4	2%	Total	238	100%
Total	195	100%			

Source: The appraisal data for the plan, and BPI's data for the actual

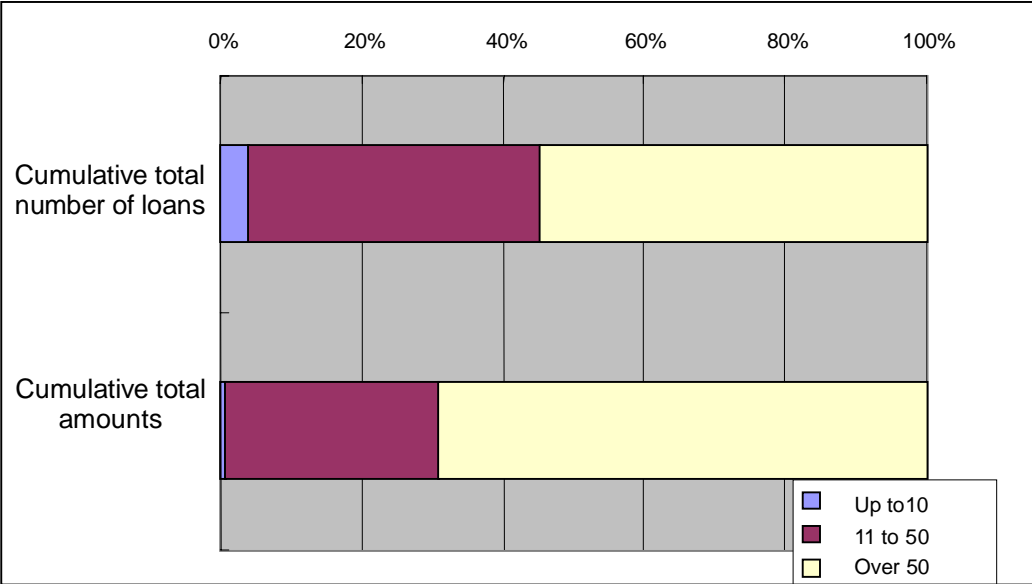
Note: The plan is the loan disbursement plan by type of business (1989 to 1992) and the actual are actually approved disbursement under BPI's first loan disbursement (1989 to 1991).

In comparing planned and actual disbursement, while it was projected that ratios would be high in “foods”, “chemicals, plastics and rubber goods”, “base metal processing and metals”, and “nonferrous metal products” in this order, the results show that “chemicals and pharmaceuticals”, “rubber goods”, “tourism”, “engineering, metal processing and assembly”, “foods” and “woodwork and furniture” occupied the majority. The government places a strong emphasis on tourism, and engineering, metal processing and assembly were regarded as growth industries at that time. The high ratios of woodwork and furniture suggest the government’s intention to promote the utilization of domestic resources. Although a simple comparison is difficult due to the difference in the classification of business type, it would be correct to conclude that loans were extended mostly in planned type businesses.

(b) Results of financing by number of employees

The results of financing by number of employees are shown in Figure 4. Sub-loans given to enterprises of 50 or less employees account for 45% in terms of the number of loans and 31% in terms of amount, evidencing that a certain portion of loans were extended to small- and medium-sized enterprises.⁵

Figure 4 Classification of Sub-loans by Number of Employees (1989-1991)



Source: BPI’s data
 Note: The numbers of employees are those at the time of sub-loan appraisal

⁵ The definition of small- and medium-sized enterprises in Malaysia (MITI of Malaysia as of January 1998) is enterprises with fewer than 150 full-time employees and annual sales not exceeding M\$25 million. Among them, small-sized enterprises are defined as enterprises with fewer than 50 full-time employees and annual sales not exceeding M\$10 million.

(c) Results of financing by amount of sub-loans

Table 3 shows cumulative totals of the number and amount of sub-loans approved under the first loan disbursement. Sub-loans of M\$3 million or less occupied 96% of the plan and 90.6% of the results in terms of number, and 75.4% of the plan and 67.9% of the results in terms of amount. In general, the actually disbursed amount per sub-loan increased from the plan. Nonetheless, relatively small denomination sub-loans were extended to small- and medium-sized enterprises as planned.

Table 3 Comparison of Planned and Actual Financing by Amount of Sub-loans

Range of Amount	Plan (1989-1993)				Actual (1989-1991)			
	Number	Ratio	Amount	Ratio	Number	Ratio	Amount	Ratio
~M\$1 million	200	78.4%	64	32.8%	103	56.9%	51.1	21.5%
M\$1 million ~ M\$3 million	45	17.6%	83	42.6%	61	33.7%	110.2	46.4%
M\$3 million ~ M\$5 million	10	3.9%	48	24.6%	17	9.4%	76.3	32.1%
Total	255	100.0%	195	100.0%	181	100.0%	237.6	100.0%

Source: BPI's Data

(2.3.2.) Viability of Borrower Enterprises

No data is available concerning the number of enterprises that have borrowed funds under the AJDF scheme and are currently still in business. BPI explains that it carried out strict appraisal prior to extending loans using the AJDF fund and that, therefore, the borrowers have been doing better than those of other BPI programs.

(2.3.3.) Investment Promoting Effect on Small- and Medium-Sized Enterprises and Improvement of Export Competitiveness through Enhancement of Technical Capability of Equipment within Export-Oriented Industries

In the survey, we visited and interviewed 10 enterprises that obtained loans for capital investment from the AJDF fund. According to the survey, 8 out of 10 enterprises exported their products (including indirect export). In four of the enterprises, exports occupied over 50% of sales. Four enterprises projected that the ratio of exports would increase in the future. Examining how the AJDF fund was used in these 10 enterprises, it is suggested that the AJDF fund was used to enhance the equipment capacity of export-oriented enterprises.

(2.3.4.) Sales Increases

Sales figures for the 10 enterprises interviewed in the past 3 years are shown in Table 4. Given that each enterprise obtained their loans at different times and that their sales are greatly affected by economic conditions, it is difficult to determine to what extent the newly introduced equipment directly contributed to the increase of sales

from the result of this survey alone. Four of the 9 enterprises that responded to the inquiry achieved equivalent or greater sales than in previous years during the period when Malaysia was going through the currency crisis.⁶

Table 4 Sales Increases

Unit: M\$ million

	Enterprise 1	Enterprise 2	Enterprise 3	Enterprise 4	Enterprise 5	Enterprise 6	Enterprise 7	Enterprise 8	Enterprise 9	Enterprise 10	Average
1999	20	47.47	NA	19.29	0.25	3.00	13.5	1.65	5	15.62	13.98
1998	17	37.98	NA	58.29	0.22	5.12	8.4	1.63	4.7	16.30	16.63
1997	16	40.8	NA	18.41	0.22	5.15	14.1	1.48	4.7	18.49	13.26

Source: Interview results

Note: Enterprise 4 recorded a sharp increase in sales in 1998 from the previous year because it won an all-in contract in that year.

(2.3.5.) Creation and Promotion of Employment Brought about by New Investment and Business Expansion

As of the end of 1991, 181 sub-loans (gross) were approved under the first loan disbursement, amounting to M\$237.6 million. Uses of these sub-loans are classified into new investment, business expansion, renewal and others. Number of approved sub-loans and their amounts are shown below. Sub-loans for new investment accounted for 65% of the total in terms of both number and amount, and those for business expansion accounted for 34%.

Table 5 Use of Funds

	Number (ratio %)		Amount (M\$ million) (ratio %)	
New investment	118	65.2	164.24	69.1
Business expansion	62	34.3	73.24	30.8
Renewal	1	0.6	0.11	0.0
Total	181	100.0	237.59	100.0

Source: BPI

In order to evaluate the employment creation effect, we inquired about numbers of employees in the interview. The results are shown in Table 6 below. Although some figures may not be correct because it was an oral inquiry, it shows that employee numbers within each enterprise have increased sharply since they obtained loans.

⁶ The consumer price index (CPI) increase rate during that period was around 3.6% on annual average. According to BPI, most enterprises with a broad cross section of customers or that were able to shift customers without much difficulty, and export-oriented enterprises were unaffected by the economic crisis.

Table 6 Employment Creation Effect

Unit: person

	Enterprise 1	Enterprise 2	Enterprise 3	Enterprise 4	Enterprise 5	Enterprise 6	Enterprise 7	Enterprise 8	Enterprise 9	Enterprise 10	Average
Present employees	150	434	550	41	10	34	45	40	258	250	181
Employees in 1999	135	325	550	35	10	34	40	40	200	225	159
Employees in 1998	NA	290	450	30	10	36	37	38	180	230	145
Employees in 1997	NA	255	400	20	10	38	35	40	180	220	133
Employees before receiving loan	180	200	NA	6	NA	38	NA	12	100	NA	89

Source: Interview results

2.4. Impact

(2.4.1.) Achievement of Overall Goal

The project aimed to promote exports and develop small- and medium-sized enterprises in manufacturing industries in Malaysia by providing funds for the expansion of production capacity. Although quantitative measurement of the achievement level is difficult, from the facts as described above, the project is considered to have been contributing to the achievement of the overall goal.

(2.4.2.) Impact on Environment and Society

No system is in place to monitor environmental impact. However, permission is required from the government (Ministry of Environment, etc.) for the implementation of sub projects and no project can be executed without such permission being obtained. Therefore, BPI always confirms that permission has been obtained. When necessary, BPI directly contacts environment-related agencies to confirm that permission has been granted.

2.5. Sustainability

BPI has been implementing the second loan disbursement since the completion of the first loan disbursement. Although the ratio of non-performing loans is high, that amount is decreasing. In addition, BPI is implementing measures to strengthen financing management as a governmental financial institution. Therefore, there seems to be no problem with the sustainability of the project.

(2.5.1.) Sustainability of the Project

Followings are the review of the collection of sub-loans based on the ratio of non-performing loans (NPL) in and after 1997.

Table 7 Change in the Amount of NPL

Unit: M\$ million

Year	1997	1998	1999	2000
NPL	13.7	33.5	20.8	19.0
Outstanding sub-loans	128.6	128.4	69.4	47.0

Source: BPI

Notes:

- 1) The data for 2000 are as of July 2000. The data for 1996 and before have not been provided by BPI.
- 2) BPI formerly classified loans whose principals had been in arrears for 6 months or longer as NPL. This classification was changed in 1998 to loans in arrears for 3 months or longer in line with the policy of the central bank, and changed again in 1999 to loans in arrears for 6 months or longer.

Due to the impact of the economic crisis and the change in the classification of NPL, the amount and ratio of NPL increased sharply from 1997 to 1998. During this period, a particularly high occurrence of NPL was observed in the tourism industry. One of the problems pointed out in this period was the shortage of employees to manage the increasing number of loans resulted from the suspension of new hiring. As described in “Financing System and Loan Management System” below, BPI has been improving the efficiency of its business operations since 2000 in an effort to address the NPL issue.

In 1999 and 2000, financing under the AJDF project covering capital investment funds was slowing down because another loan scheme for small- and medium-sized enterprises was launched with more favorable terms. As a result, the outstanding sub-loan amount was reduced and the ratio of NPL continued to increase. It should be noted that the amount of NPL has been decreasing.

(2.5.2.) Utilization of the Special Account

Table 8 is the statement of the special account. Repayment of sub-loans started in 1990 and the second loan disbursement using the special account also commenced in the same year. As of the end of 1999, the cumulative total of disbursed amount was M\$195 million for the first loan disbursement and M\$183 million for the second loan disbursement, indicating that most ODA loan funds were used twice. Repayment of principals in addition to interest payment started in 1995. Partly owing to the appreciation of the yen, the account has been in deficit since 1996 on a net flow basis and since 1997 on a cumulative total basis.⁷

⁷ In this project, it is agreed that the exchange risk should be assumed by the government and that any foreign loss should be reimbursed afterward. Table 8 “Cash Flow of Special Account” does not reflect the amount reimbursed by the government.

Table 8 Cash Flow of Special Account

Unit: M\$ million

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Balance brought forward		-4	4	29	65	82	92	102	65	41	10
ODA loan disbursement	20	69	77	36	1	1	0	0	0	0	0
Collection of sub-loans	0	8	23	29	43	40	52	39	41	29	25
Principal	0		15	19	33	31	44	32	31	21	19
Interest	0	4	8	10	10	9	8	7	10	8	6
Charge	0	4	0	0	0	0	0	0	0	0	0
Sub-loan disbursement	24	68	72	23	19	17	25	55	41	32	4
First loan disbursement	24	66	70	16	17	2	0	0	0	0	0
Second loan disbursement	0	2	2	7	2	15	25	55	41	32	4
Repayment of ODA loan	0	1	3	6	8	14	17	21	24	28	30
Principal	0	0	0	0	0	0	7	13	15	18	20
Interest	0	1	3	6	8	14	10	8	9	10	10
Balance carried forward	-4	4	29	65	82	92	102	65	41	10	1

(2.5.3.) Sustainability of Executing Agency**(a) Organization and Management system**

The Board of Directors of BPI consists of 8 members including representatives of the Ministry of Finance, Ministry of Entrepreneur Development of Malaysia and the central bank.

As of the end of July 2000, BPI has 13 branch offices and 524 employees. On average, 10 employees are allocated to each branch office.

The organization of BPI is divided into 2 sectors: the infrastructure development sector which deals with financing to infrastructure-related projects and the sector which conducts development banking activities including financing to small- and medium-sized enterprises. Overall management of the AJDF project has been performed by the Banking Administration Unit (5 employees) under the Entrepreneur Development Department of the Development Banking Sector. The Entrepreneur Development Department, which offers training programs, is planned to be reorganized into a department under direct control of the Development Banking Sector.⁸

⁸ In October 1998, the name of the bank was changed from Bank Pembangunan to Bank Pembangunan Infrastructure and the range of projects eligible for financing was simultaneously expanded to include megaprojects (Cyber Jaya, railroad, port, high way, etc.) within the framework of infrastructure development. As part of the measures to boost the economy, a system is currently being planned whereby policy financings for infrastructure development is to be provided through BPI exclusively. In line with this plan, the number of employees in the infrastructure development sector has been expanded. Under these circumstances, 50 people were newly employed between January and July 2000 and the bank plans to employ a further 50. BPI is also planning to increase the cumulative total amount of loan approvals by the infrastructure development sector from the current M\$1.7 billion to M\$30 billion in the future.

(b) Financing system and loan management system

Loan appraisal of the AJDF project is conducted by branch offices and approval for individual loans is discussed at regular meetings of the Board of Directors held at the head office. Loan appraisal includes business analysis, financial analysis, market analysis and examination of the capital investment plan and guaranteeing capacity. It takes about 3 months on average from loan application to disbursement: 2 months for appraisal by branch offices and approval by the head office and 1 month for legal proceedings such as guarantee of obligation. Basically, loans are secured by collateral (plant foundation) and guarantee. In some cases where such security is not sufficient to cover the loan amount, borrowers are required to offer real estate or stocks and bonds as security. BPI has been improving the efficiency of its business operations since 2000 in an effort to address the issue of NPL. As part of these efforts, it is planning to establish a new unit at the head office to deal with NPL exclusively, while establishing Marketing & Appraisal Units and Supervision Units at branch offices in order to divide responsibilities. Monitoring and loan collection will be conducted by the Supervision Units.⁹ BPI's positive attitude to tackling the issue of NPL through innovative efforts of clarifying responsibilities and improving quality management should be highly evaluated.

(c) Financial status

As BPI has become more involved in infrastructure development projects, its paid-in capital has increased from M\$105.5 million at the end of 1997 to M\$594.1 million in 1998, and then to M\$1 billion in 1999. As a result of capital increase, the equity to assets ratio in 1999 was as high as 24%. Returns on assets, which declined in 1997 and 1998, recovered in 1999 to the same level as before the Asian currency crisis. Moreover, the profit ratio to net financial income, which declined in 1997 and 1998, was improved in 1999 to almost the same level as before the currency crisis.

⁹ BPI is strengthening its policy and improving business process with the aim of obtaining ISO 9000 certificate in the near future.

Table 9 Balance Sheet

Unit: M\$ million

	1995	1996	1997	1998	1999
Current assets	1,000	1,087	1,046	1,474	2,202
Loans	665	769	825	858	2,317
Investments and others	223	249	221	191	243
Fixed assets	109	116	119	137	157
Total assets	1,996	2,222	2,211	2,660	4,918
Current liabilities	712	881	819	1,120	1,610
Long-term Borrowings	924	920	932	556	1,772
Others	165	192	210	235	346
Capital stock	105	105	105	594	1,000
Internal reserves	89	124	144	156	191
Total shareholders' equity	195	229	249	750	1,191
Total liabilities and shareholders' equity	1,996	2,222	2,211	2,660	4,918

Source: BPI

Table 10 Profit and Loss Statement

Unit: M\$ million

	1995	1996	1997	1998	1999
Operating income	109	128	162	213	287
Pre-tax income	44	52	34	22	97
Taxes	13	15	12	8	-4
Post-tax income	32	37	22	14	101

Source: BPI

Note: Operating income such as income from financing includes interest income, interest on time deposit, return on investment, etc.

Comparison of Original and Actual Results

Item	Plan	Actual
1. Project scope	<p>1. Sub-loan</p> <p>Eligible industries: Product manufacturing of metals, machine parts, woodwork, foods, chemicals, plastics, coal, rubbers, etc. and tourism</p> <p>Eligibility: Enterprises with at least 51% of Malaysian shareholding and paid-up capital not exceeding M\$5 million</p> <p>Items Covered by Loans: Capital investment and building (excluding land)</p> <p>Terms and Conditions: Loan amount up to M\$5 million; interest rate 6.5% per annum (upper limit); period over 1 year up to 15 years (grace period up to 3 years); percentage of financing less than 75% of necessary funds</p> <p>2. Consulting services</p>	<p>Same as the plan (Except that coal is not included in eligible industries)</p> <p>2. Not performed</p>
2. Implementation schedule	1989 to 1993	1989 to 1994
3. Project cost		
Foreign currency	¥10.442 billion	¥10.431 billion
Local currency	¥ 0	¥ 0
Total	¥10.442 billion	¥10.431 billion
ODA loan portion	¥10.442 billion	¥10.431 billion
Exchange rate	US\$1.00 = ¥133.77	