

M'sia to sell RM2bil sukuk to fund MRT project

KUALA LUMPUR: Malaysia plans to sell at least RM2bil of Islamic bonds to help finance the first phase of construction of a mass railway here, two people familiar with the matter said.

Dana Infra Sdn, a company formed by the Finance Ministry to fund development projects, may increase the offering to RM3bil if there's sufficient demand, said the people, who declined to be named as the information is private.

No date has been fixed for the sale because of Europe's debt crisis and marketing may start as early as June, they said.

Proceeds would go to state-owned Mass Rapid Transit Corp, which is overseeing work on a 156-km railway.

The network is targeted at easing congestion in Kuala Lumpur, with the first line scheduled for completion in 2016, the Government said in a 2010 report.

The Government plans to guarantee a total of RM8bil of *syariah*-compliant bonds for the project, the peo-



Workers prepare scaffoldings to pour concrete into a giant column for the MRT system in Kuala Lumpur. The network is targeted at easing congestion, with the first line scheduled for completion in 2016. - AP

ple said.

Dana Infra may issue an additional RM30bil of the securities via a 50-year programme, which would be announced later, one of the people said.

Irwan Siregar, deputy secretary to the treasury, wasn't immediately available for comment.

The planned offering follows a record RM30.6bil sale of Islamic

bonds, which pay returns from assets to comply with the religion's ban on interest, by the nation's toll-road operator PLUS Bhd completed in January.

Malaysian companies issued RM75.6bil of sukuk last year, an all-time high, according to data compiled by *Bloomberg*. Sales totaled RM15bil in 2012. - *Bloomberg*