

# Japan to give \$615 mil in loans to Myanmar

Nov. 18, 2012 - 12:54PM JST



*In April, Japan agreed to forgive 300 billion yen of the 500 billion yen which Myanmar owed*  
AFP  
TOKYO —

Japan is to provide Myanmar with \$615 million in government loans, a report said on Sunday, just days after the United States scrapped a ban on most imports from the long-isolated Southeast Asian nation.

Myanmar nominally ended nearly half a century of military rule last year and rapid changes have sparked a widespread lifting of sanctions and a scramble to tap a potentially lucrative market.

Japanese Prime Minister Yoshihiko Noda will make the loans announcement when he meets Myanmar's President Thein Sein on the sidelines on a Southeast Asian summit in Cambodia on Monday, the Nikkei business daily said.

Japan's first low-interest, long-term government loans to Myanmar in nearly three decades will "back up moves by Japanese companies into the country and hold China in check after it increased its influence in Myanmar", it said.

Japan will provide the loans in the fiscal year to March 2013 while the World Bank, the Asian Development Bank and major creditor nations are expected to announce in January they will waive debts owed by Myanmar, the Nikkei said.

The 50 billion yen in loans will be used for three projects including infrastructure related to a Japan-led special economic zone outside former capital Yangon.

The huge Thilawa project is led by a consortium of Japanese companies including Mitsubishi Corp, Sumitomo Corp and Marubeni Corp, the Nikkei said.

The two other projects are repair work on a thermal power plant near Yangon and infrastructure development in 14 rural regions aimed at reducing poverty.

Japan, with its export-reliant economy, is looking to foster growth in the resource-rich Mekong region, a part of the world that is also being courted by China.

Unlike its Western allies, Japan maintained trade ties and dialogue with Myanmar, warning that a hard line on the then-ruling junta could push it closer to China, its key ally and commercial partner.

The European Union, Canada and Australia have suspended virtually all sanctions. The U.S. move on Friday came ahead of a landmark trip by President Barack Obama to Myanmar.

The Tokyo government has in recent years provided other Asian nations with similar low-interest, long-term loans, known as “yen loans”, aimed at boosting economic

development, including Vietnam and India.

In April, Japan agreed to forgive 300 billion yen of the 500 billion yen which Myanmar owed.

© 2012 AFP

[www.japantoday.com/category/business/view/japan-to-give-615-mil-in-loans-to-myanmar](http://www.japantoday.com/category/business/view/japan-to-give-615-mil-in-loans-to-myanmar)