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New expertise at CDRC to resolve debt

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THE Corporate Debt Restructuring Committee is bringing in new expertise to help it resolve the RM30 billion overdue corporate debts on its slate.

Prime Minister Datuk Seri Dr Mahathir Mohamad said the CDRC was trying to resolve debts of bigger companies first.

"CDRC's new chairman Datuk Azman Yahya is bringing in a lot of new expertise to assist them," he told reporters after opening the Malaysian Capital Market Summit 2001 in Kuala Lumpur yesterday.

Dr Mahathir was asked on the progress of the corporate debt restructuring exercise. It was reported last month that the CDRC had set a target of one year to resolve the RM30 billion of corporate debts.

For this, Azman had said the CDRC was banking on new rules it had set, including having a debt restructuring scheme accepted by 75 per cent of the creditors.

It had also narrowed the applications it would consider, to companies with a minimum aggregate borrowing of RM100 million instead of RM50 million previously, plus exposure to at least five creditor banks as opposed to two creditor banks previously.

The revised framework also addresses the need to discipline both borrowers and creditor banks.

The bulk of the RM30 billion outstanding debts is believed to be owed by four companies - Renong Bhd's light rail operator Putra, diversified Lion Group and unlisted companies Johor Corporation and light rail company STAR.

Azman had also said that the CDRC had so far restructured a large portion of the applications in the last two years but said "there was still a lot to be done".