

Power plays still puzzle

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By TigerTalk

As a long-time observer of the power scene in the corporate jungle, Tiger can only say that the power lines have become tangled over the years and it is going to take quite a bit to untangle the knot. Better, like Alexander the Great, just slash it with a sword.

But such decisiveness in government is, like virgin jungle, in rather short supply these days and disappearing by the day. We argue endlessly about the most obvious things - some even want a state of emergency to be reimposed to fight crime, for roaring out loud!

As if the current tangle was not enough we now have 1Malaysia Development Bhd, a wholly government owned "strategic development" fund which has already raised RM20 billion for its ventures, albeit rather dubiously and in a manner which may have cost us up to RM4 billion.

urban household electricity poll 300506 bill2After an abortive investment in a company called PetroSaudi International, it apparently has some cash or near cash assets in the Cayman Islands of some RM7 billion; part of which it is utilising to buy yet another independent power producer (IPP) Jimah Energy Ventures Holdings for RM1.2 billion. Presumably it will use more of the RM7 billion to reduce Jimah's debts which amount to some RM5 billion.

If you are asking Tiger where's the beef, we are coming to it right now. You see, 1MDB had acquired more power assets earlier - RM8.5 billion for Tanjong Plc's power assets which have a generation capacity of 3,951MW including those overseas, and RM2.3 billion for Genting Bhd's power assets, a 720MW power plant, which has only a few years left of its concession.

That brings the total in power assets to a grand RM12 billion, making it a rather large power player in the country. The plan is for these power assets to be listed, which is a bit strange.

First, power generation is privatised and the cronies benefitted. Then, the cronies sell back to the government through 1MDB and the cronies benefit again. And then 1MDB does not keep all of these assets but lists them. Who benefits? Now that's a tangled tale if Tiger ever heard one, and Tiger's heard quite a few.

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