

What's our future if 1MDB is not wound down?

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MP SPEAKS With so many statements that have been issued and subsequently denied of late, one cannot be wonder whether a bunch of clowns are actually running 1Malaysia Development Bhd (1MDB) and the Ministry of Finance.

Last Friday, Second Finance Minister Ahmad Husni Hanadzlah issued the statement on spinning off Tun Razak Exchange (TRX) and Bandar Malaysia as separate independent entities, off-loading all of its energy assets via Edra Global and to dispose of its questionable "units" to Abu Dhabi's International Petroleum Investment Corporation (IPIC).

Bernama, which is the government's official mouthpiece - meaning that it can't be wrong - followed up a report that "1MDB will be wound down by next year and its operations transferred to three separate firms".

However, despite the seeming clarity of the issue, Husni chose to deny the above report. When asked by The Malay Mail Online to verify a Bernama report yesterday that 1MDB could be "wound down", the minister replied "not true", without elaborating further.

This is where the financial community and the Malaysian public are bamboozled by the flip-flop piecemeal responses given by our ministers and 1MDB, resulting in the complete loss of confidence in Prime Minister Najib Abdul Razak's administration.

Why does the second finance minister persist on denying the obvious?

There are only three parts to the 1MDB assets – its prized real estate which it acquired on the cheap from the federal government, its energy assets which 1MDB overpaid for their acquisition, and its RM13.4 billion of dodgy and opaque "level 3 assets" held overseas.

If 1MDB is disposing of all these three assets in one form or another, then the Ministry of Finance is effectively winding down the controversial and scandalous 1MDB as there would be nothing left in the company.

Face up to the truth, Husni

Unless, of course, Husni knows better and the government intends to revive 1MDB with more funds for new groundbreaking investments?

Instead, our advice to Husni is to face up to the truth directly, instead of attempting any further fancy twists and turns. Why should the second finance minister take the blame for the biggest scandal in Malaysia's history that is not directly of his making?

Being frank is the best and only way to ensure that his reputation doesn't collapse, showing

him to be a half-past-six minister.

As it stands, the federal government is likely to buy back TRX and Bandar Malaysia at inflated prices, of up to RM10.4 billion in order to make them “independent entities”.

Edra Global is likely to be sold or listed at a valuation less than 1MDB’s cost of acquisition.

At the same time, despite the US\$1 billion payment expected from IPIC, Malaysians are still clueless as to the nature of IPIC’s role and participation in this exercise, and its cost to the taxpayers.

Therefore, Husni should not only concede that 1MDB is winding down via a massive bailout exercise.

He should also be upfront to pronounce Najib’s 1MDB adventure as a complete failure and disaster and demonstrate his determination to go after the culprits who have caused the losses of multi-billions of ringgit to the country.

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