

Is Najib losing control?

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COMMENT In good corporate governance, the ultimate decision-maker is still accountable for any decisions made by the organisation.

Whether the chief executive officer is in charge or has lost control, he is still the one responsible for whatever outcome.

In the case of 1MDB, a subsidiary of the Finance Ministry set up as an investment arm, the buck stops at Najib Abdul Razak and no one else.

As prime minister, finance minister and chairperson of the advisory board, Najib has a heavy responsibility to ensure that the 1MDB makes money for the investments made. If not, he has to explain why the investments have gone awry.

Any wrong decisions made by 1MDB will reflect badly not only on the management and the board of directors, but also on Najib and his office. This is the rule of the game.

In the past two months, things have not turned out to be a bed of roses for the Umno president, especially after former prime minister Dr Mahathir Mohamad trained his guns on his 'once-upon-a-time' blue-eyed boy.

The 1MDB fiasco has become more of a thorn to Najib's administration than anything, making Najib's own position vulnerable.

Being who he is, Dr Mahathir is unlikely to hold his punches after things have escalated to such an extent. It is sad as we watch the drama unfolding before us, at a time when the majority of us are tightening our belts after the Goods and Services Tax (GST) was introduced since April 1.

The latest development has raised further eyebrows.

Tabung Haji and Najib's advice

According to Minister in the Prime Minister's Department Jamil Khir Baharom, Lembaga Tabung Haji (TH) has not been very successful in selling the controversial Tun Razak Exchange (TRX) land which it had purchased from 1MDB at inflated prices.

Despite five weeks have passed since Najib advised them to re-sell the land, TH has not been able to find a good buyer.

Although Jamil claimed that they are looking for the highest profit, the reality of the situation may appear harsher than what it seems to be.

Generally, there is already a slowdown in the local property market, and investors are adopting an attitude of 'wait-and-see'. In the case of 1MDB, and the land held by TH, they are hoping to get an even greater bargain should 1MDB be wound up by the end of this year. After all, which prudent investor would not wait for the best opportune time to strike? Why pay RM200 million to buy the land, when you can get it for only half the price?

Five weeks and the land has not been sold, when TH chairperson Abdul Azeez Abdul Rahim (photo) was confident that TH would be able to sell the land in one week's time, making at least RM5 million profit for the TRX land.

This clearly shows that Abdul Azeez may not even have carried out any fiduciary study before signing on the dotted line to purchase the TRX land at RM188 million from debt-laden 1MDB. Or else, he would have sold off the land at RM193 million a month ago, showing that Najib was correct with his advice.

One wrongdoing after another

The longer the 1MDB saga continues, the more Najib appears to be losing control of the situation. With one wrongdoing after another and inconsistencies being exposed, more efforts are being made to cover the 'mistakes'.

Despite engaging a media mogul to help him fight off the attacks from his nemesis, Dr Mahathir, Najib is not making any headway in delivering the solutions for 1MDB.

In politics, anything is possible. Although Dr Mahathir had lamented that his friend, Lim Kok Wing had turned to Najib's side, this could all be part of a shadow play.

Till now, Lim has not been very effective in destroying Dr Mahathir's legacy; instead, through a number of flip-flops, it appears that as prime minister, Najib is not winning over the people's trust either.

This has led even Najib's own younger brother to drop a hint to him that Najib cannot continue clinging on to power, as trust which can only be earned and not coerced, is an important component in any good leadership.

What appears to be happening is that Najib is losing control of the 1MDB. Although he is asking for time till the end of the year, the question on every person's mind is really what will happen when the current board of directors resign by July.

Were they in fact preparing to abandon the ship knowing that there would be an even bigger implosion from within, once the auditor-general's report is out? Or, are they already critically aware that the great Titanic will eventually sink? These are on most people's minds.

After these men resign, will the 1MDB be wound up or will it be able to pay the ballooning

debts of RM42 billion, when the loan interests alone are in fact between RM2.4 billion to RM2.7 billion annually.

This was based on the answer given by Finance Minister II Ahmad Husni Hanadzlah (photo) to PAS Sepang MP Hanipa Maidin in Parliament yesterday.

In short, time is money. And, the money is the people's money, which makes Najib's seat even hotter. As the controversy continues, Najib's risk of being forced to resign increases. Dr Mahathir will have his last push.

Better be up-front

It is interesting that even up till this stage, Lim has not advised Najib to be up-front with the true situation affecting 1MDB instead of letting the people continue guessing what is happening.

When the figures were published in the mainstream papers about 1MDB's financial status, the first question that cropped up on most people's mind is: "How on earth can land value appreciate by so many folds within a short period of time?"

A proven point is that even the land purchased by TH could not be sold within one week as promised by Azeez and certainly did not earn TH the RM5 million that Azeez predicted.

By the day, not only Najib's credibility is being affected, confidence in the Barisan Nasional government is also eroding away fast, since none of the ministers have been bold enough to collectively make a stand.

Most are passive. Strangely, all ministers from MCA, MIC and Gerakan are silent about 1MDB. Although this is an issue about good governance, not even minister in charge of governance and integrity Paul Low has said a word about it.

Deputy Prime Minister Muhyiddin Yasin is probably the most vocal so far, but even he has become silent after the expose on video, along with the other two ministers Shafie Apdal and Khairy Jamaluddin. No one is brave enough to challenge Najib to be up-front with the 1MDB saga.

In my opinion, Najib would be better off if he speaks the truth. As Dr Mahathir had put it, and I fully agree, the money is as good as gone. What is left are some assets such as the TRX land that had to be sold to pay back the loans.

Dr Mahathir is point-blank in his statement about 1MDB: "There is no more money." If this is the case, Najib has to be responsible for the entire saga especially on how the huge sum of money was lost.

There are no two ways about it - either Najib is up-front or he may end up in a more difficult situation, as the clock ticks.

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