

## **Gov't to probe WSJ's claim of 1MDB sweetheart deal with China**

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The government is looking into claims that China was awarded US\$34 billion worth of rail, pipeline and other projects by the previous BN administration, in return for China's offer to bail out the troubled sovereign wealth fund 1MDB.

The claims were made by Wall Street Journal (WSJ) in its report today, which cited minutes from a series of previously undisclosed meetings.

Asked to respond to the report, Finance Minister Lim Guan Eng said that the government would pursue the matter.

"Whether there was such a deal, I have to check. If this is something explicitly said in black and white, then it is something that we will pursue.

"It would be interesting to have a copy of those minutes from the WSJ," Lim said during a press conference at the Finance Ministry headquarters in Putrajaya today.

He added that several dealings behind projects, such as the Sabah gas pipeline project, were known to be sketchy.

"You look at the Sabah pipeline project. How can it be that RM8.3 billion has been paid? (That is) 88 percent of the entire project cost, but the work is only 10 percent completed.

"Something is wrong there. That is so clear. You don't have to be an accountant or lawyer to know that something is wrong."

WSJ reported that in 2016, senior Chinese officials had told their Malaysian counterparts that China would use its influence to try to get other countries, including the United States, to drop their probes against 1MDB.

In return, Malaysia offered lucrative stakes in railway and pipeline projects for China's "One Belt, One Road" programme of building infrastructure abroad, the business daily reported.

WSJ added that following this, US\$34 billion worth of rail and pipeline deals were inked between then-Malaysian prime minister Najib Abdul Razak and China, and that the projects were to be funded by Chinese banks and involve Chinese workers.

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