

Govt owes secretive Pembinaan PFI firm RM29.68b

Malaysiakini

03 September 2020

The debt level of a little-known Finance Ministry-owned company, Pembinaan PFI Sdn Bhd, was a whopping RM29.68 billion as of June 30.

This was revealed in a parliamentary written reply by the Finance Ministry to Bangi MP Ong Kian Ming on March 26.

Ong, who has written numerous times about the company, had asked if the government intends to fund development projects through this company and how much were the company's current debts.

The Finance Ministry said at this very moment, the government does not intend to finance new development projects through Pembinaan PFI Sdn Bhd.

Pembinaan PFI, according to the ministry, was set up on Sept 28, 2006, as a special purpose vehicle to finance the Ninth Malaysia Plan development projects.

This company is funded by the government's Kumpulan Wang Pembangunan (Consolidated Development Fund), which in turn is funded by government borrowings and any excess revenue from the Consolidated Revenue Fund.

According to a Public Accounts Committee (PAC) report in 2013, Pembinaan PFI raised RM30 billion from the Retirement Fund Incorporated (KWAP) and Employees Provident Fund (EPF) back in 2007.

PAC is of the opinion that Pembinaan PFI is a scheme for an off-budget government loans and did not fulfil any private financing initiative (PFI) requirements.

This meant that Parliament could not scrutinise the details of project allocations that Pembinaan PFI was involved in.

PAC had recommended that the provisions and expenses by Pembinaan PFI be tabled and approved by Parliament.

"In addition, all forms of off-budget expenditure similar to this should also be reported in a transparent manner," PAC said.

Ong's party DAP has repeatedly accused the previous BN administration of

designing various off-budget financing schemes in order to keep the budget deficit artificially low.

Pembinaan PFI's RM29.68 billion debt was equivalent to 9.5 percent of the total government revenue in 2019.

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