

**Gov't admits RM2.7 bil plunge in Felda reserves**  
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The government has refuted claims of irregularities in the Federal Land Development Authority (Felda), despite admitting that the department's cash reserves had dropped by almost RM3 billion in five years.

ahmad maslanDuring the questions session at the Dewan Rakyat today, Deputy Minister in the Prime Minister's Department Ahmad Maslan (left) said that despite the drop, Felda's asset value had in fact appreciated.

He was responding to a supplementary question from Hamim Samuri (BN-Ledang), who asked the deputy minister to state the financial status of Felda and detail how the funds were spent on social development purposes.

"The government did not embezzle the money, it was distributed for public welfare," said Ahmad to questions from both the government and opposition bench.

Speaking to reporters at the Parliament lobby later, Ahmad explained that Felda's cash reserve was at RM4.08 billion in 2004 but dropped to RM1.35 billion in 2009 - a plunge of RM2.73 billion over a five-year period.

He said that the difference was used for welfare purposes - RM2 billion for replanting crops, RM603 million for interest-free housing loans, RM253 million for the Sabah poverty eradication fund and RM662 million for the new Felda headquarters.

At the same time, Felda's assets had increased in value from RM9.17 billion in 2004 to RM15.37 billion in 2009, marking a RM6.2 billion increase.

Building construction 'in progress'

Ahmad also refuted claims that the construction of the new Felda building located near KLCC could be abandoned and that no buildings have been erected yet despite the payment which had been made.

"The construction is in progress and part of the building is already constructed. The construction is on schedule and is expected to be completed in 2012," he said.

When asked if Felda had indeed paid 40 percent, or RM230 million, to Naza TTDI as deposit, Ahmad said that he needs to reconfirm the figures.