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Recovery plan to save 1MDB

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> Finance Ministry working to reduce the debts of its investment arm

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PUTRAJAYA: The Finance Ministry, with its relevant agencies, will work out a "recovery plan" to "save" its debt ridden investment arm iMalaysia Development Berhad (iMDB), said Prime Minister Datuk Seri Najib Abdul Razak.

He said the government is striving to reduce iMDB's debts and is confident the plan would work out well.

"We believe the recovery plan can reduce iMDB's debts. I am confident the ministry will see it through.

"Although we are faced with many criticisms, eventually we will prove that the recovery plan can save iMDB and help it reach its goals," Najib said at the ministry's monthly assembly yesterday.

Stressing the government will continue its current financial policies, Najib, who is also finance minister and iMDB advisory board chairman, said this also included iMDB.

However, he did not elaborate on the "recovery plan" outlined for iMDB.

Najib said all questions on iMDB will be answered soon

because the auditor-general will present the report to the Public Accounts Committee (PAC).

Urging all quarters to wait for the report, he said he is confident the measures taken will resolve the current problems.

On March 4, Najib directed the auditor-general to verify iMDB's accounts.

Meanwhile, addressing the ongoing hiccups with the Goods and Services Tax (GST), Najib said it would help narrow the country's fiscal deficit.

"Since GST was introduced in April, I admit there were many questions and complaints from the people, especially those who do not understand its implementation.

"It is an efficient and effective change that will bring the country to a stronger fiscal position. It will help narrow our fiscal deficit.

"If we continue to depend on the current tax system, we would face an account deficit," he told the congregation from various departments under the ministry.

He reiterated the enforcement on errant businesses seeking opportunities to profiteer with GST, and the government's efforts in getting public feedback.

Najib said the government is collecting feedback from the public to determine if complaints on GST "have basis" or are only grouses from irresponsible parties.

The government will disclose how the additional funds collected from GST will be used in the next

budget, he said.

He said GST was implemented to face short-term challenges which will be ironed out in the long run.

"Eventually people will realise and accept its implementation," he said.