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Ignore the 'noise' back home, Najib tells US investors

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PM says to look instead at the 'real' fundamentals of a resilient economy despite the current economic volatility

NEW YORK • On the sidelines of the United Nations (UN) general debate, Prime Minister (PM) Datuk Seri Mohd Najib Razak had a breakfast meeting on Wednesday with several American fund managers, urging them to ignore the "noise" back home in Malaysia related to 1Malaysia Development Bhd (1MDB) but to look instead at the "real" fundamentals of a resilient economy despite the current economic volatility.

He later sat through a lunch with US business leaders, highlighting Malaysia's positive competitive index as affirmed by leading ratings agencies such as Moody's, Standard & Poor's and Fitch as

well as *Bloomberg* declaring Malaysia as the world's fifth most promising emerging market.

"The government is here to stay," the PM said.

"I am not in a hurry to go back home for fear of losing my job or something like that," he said, adding that the government would serve its five-year mandate before the next election.

On 1MDB, Najib said the sovereign wealth fund is expected to announce "in the coming days" a further reduction of its total debt by about RM16 billion.

The PM said he had given his undertaking that the government will need six months until the end of the year to reduce the debt and turn around the company.

"Bank Negara Malaysia has come out to say there is no systemic risk related to 1MDB. We have more assets than liabilities," he said.

On the proposed sale of Edra

Global Energy Bhd, Najib said there were already attractive offers for the power generation arm of 1MDB.

"So I am quite confident by the end of the year, we will be able to show that 1MDB is basically a corporation that is able to go through the process of rationalisation with a massive reduction in debts," he said.

He explained that the business model of 1MDB is based on the concept of "fast IPO" (initial public offering) and not using a lot of government funds.

He said currently the indicators are good for the country's economy but "the noise level may not be all that positive about Malaysia".

On the Bersih 4.0 demonstration and the subsequent anti-Bersih protest in Kuala Lumpur recently, Najib said despite the two rallies, there is political stability in Malaysia.

Najib said the demonstrations were managed well by the police, who did not have to

resort to the use of force. "They ended up on a good note."

"Being a mature democracy, we have to allow a little bit of divergence of views. People made their protests but at the end of the day, we hope the like-minded and rational people will prevail.

"The next election is not due until 2018. (Till then) we will continue our agenda for the country," Najib said.

He said the government will continue to make tough, even unpopular decisions, for the benefit of the people.

He said it was fortunate that the government had introduced the Goods and Services Tax and the rationalisation of petrol subsidy as part of its fiscal consolidation measures to sustain growth.

"Nobody expected the price of petrol to take such a sharp drop, and that has affected our income from Petroliam Nasional Bhd dividends and petroleum income tax. — *Bernama*