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Najib: 1MDB no impact on foreign investors

by P PREM KUMAR

DESPITE the issues surrounding 1Malaysia Development Bhd (1MDB), foreign investments into Malaysia are on the uptrend and for the long-term as investors are buying into the country's economic growth prospects, Prime Minister Datuk Seri Mohd Najib Razak said.

"They (foreign investors) take a holistic approach to view Malaysia including the strong macroeconomic fundamentals like low unemployment rate, high national savings, adequate foreign reserves and manageable federal debt," Najib said in a written parliamentary reply to Kulim-Bandar Baru MP Datuk Abdul Aziz Sheikh Fadzir.

He had asked the finance minister how the 1MDB issue was affecting foreign invest-

ments into the country.

In his reply, Najib said the latest data indicated that foreign investors have confidence in the strong local economy as reflected in foreign direct investments that totalled RM22.4 billion in the first-half of 2015 (1H15), versus RM17.5 billion registered during the 2H14.

The Malaysian Investment Development Authority has approved investments worth RM113.5 billion for the 1H15, compared to RM112 billion recorded in the corresponding period in 2014.

"The 1MDB corporate communications unit and media response team from the government are working dosely to be more proactive to handle the forthcoming challenges," he said.

1MDB has come under public scrutiny mainly because of its RM42 billion debts racked

up in the past five years. I

The investment firm is currently stepping up efforts to hive off its assets, namely power-generation plants and land, to ease its tight cashflow problem

Meanwhile, the Parliament's Public Accounts Committee (PAC) will restart its inquiry on 1MDB by calling up its current and former chief executives soon.

Newly appointed PAC chairman Datuk Hasan Arifin said the probe will resume, but did not specify when, based on the arrangements made by the previous PAC which was suspended after the committee's previous head and four members resigned to take up Cabinet positions.

"We have studied and discussed the framework put in place by the former PAC chairman and we will continue the proceeding by calling those

who were initially scheduled for questioning.

"We will call Arul Kanda, Datuk Shahrol Azral- Ibrahim Halmi and Mohd Hazem Abd Rahman," Hasan told a press conference after chairing his first PAC meeting yesterday.

Arul Kanda Kandasamy is 1MDB's current CEO while Shahrol was his immediate predecessor. Mohd Hazem was one of the state-owned firm's MDs as well as CEO.

When asked if the PAC would also call Low Taek Jho or Jho Low, Hasan said he does not yet intend to do so as Low is more of a "personality" rather than a key witness on the 1MDB issue.

"He is a person that we should cali but not immediately," Hasan said.

The PAC had been due to question 1MDB's Arul Kanda and Shahrol on Aug 4 and 5 respectively.