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Dr M pours scorn on revival plan

PETALING JAYA: Former prime minister Tun Dr Mahathir Mohamad yesterday said the restructuring plan presented by Finance Minister II Datuk Seri Ahmad Husni Hanadzlah (to revive iMalaysia Development Berhad) cannot erase the fact that money borrowed by iMDB has disappeared and that the government will lose billions of ringgit.

"Part of the loan may be redeemed but a very substantial amount will remain. Certainly, the restructuring will not result in the lost money being recovered," he said.

He said repayment of the debt does not absolve the borrowers from responsibility for losing the money in the first place.

"The money is not lost through bad businesses but has simply disappeared. Somebody knows how the money disappeared and who has the money now. But that somebody is not telling," he wrote in his latest blog posting.

He said the International Petroleum Investment Company (IPIC) is said to have invested US\$1 billion in iMDB.

"It is not a loan as claimed by (Ahmad Husni). Certainly it is not a free gift. What does IPIC get for its US\$1 billion from iMDB? It must be the assets of iMDB."

Mahathir said IPIC may be putting in another US\$3 billion and the money which iMDB gets will be used to repay the German

bank, which had lent about US\$1 billion.

The additional US\$3 billion will be for transferring the landed assets of iMDB.

Mahathir said iMDB had acquired government land worth between RM4,000 to RM7,000 psf at RM60 to RM90 psf.

"Actually, the price paid by iMDB for government land represents or reflects an abuse of authority.

"The right thing to do is to pay the market price of the land before it is developed or disposed of," he wrote.

If IPIC pays US\$4 billion to iMDB, effectively IPIC becomes owner of the assets of iMDB.

"iMDB actually gets nothing as the money from IPIC will go towards paying the interest and loans of iMDB to reduce the total loans of RM42 billion to a smaller amount.

"On this smaller loan, iMDB will still have to pay interest until money is found to pay off the principal.

"So how does this restructuring benefit iMDB? It (the government) will lose control of iMDB to IPIC, development of the land would accede to IPIC and the deal would result in the government losing billions of ringgit unless the market price is paid for TRX and Bandar Malaysia land."