

Newspaper	Malaysian Reserve
Date	03/08/2017

1MDB-IPIC payment issue only technical, says Najib

Malaysian Reserve
- 3/8/2017 Pg. 2

This does not reflect the country's economy and will in no way affect investor confidence, says PM

by P PREM KUMAR

THE delay in settling a payment by 1Malaysia Development Bhd (1MDB) to International Petroleum Investment Co (IPIC), is a mere technical issue.

"It is just a technical issue, and not a matter of not being able to pay," Prime Minister (PM) Datuk Seri Mohd Najib Razak said in Dewan Rakyat yesterday.

Najib, who is also the finance minister, said the delay should not be used as a barometer to evaluate Malaysian economy.

"This does not reflect the country's economy and will in



Due to the need for additional regulatory approvals, the receipt of those funds has been delayed to August 2017, says 1MDB

no way affect investor confidence," he said, responding to an oral question from Permatang Pauh MP Datuk Seri Dr Wan Azizah Wan Ismail.

Wan Azizah had asked the government to respond to the delay in 1MDB paying IPIC US\$602.73 million (RM2.59 billion), as part of the sovereign wealth fund's arbitration settlement with the Abu Dhabi

state-owned firm.

1MDB said it was seeking that the amount of US\$602.73 million, due for payment last Monday, to be pushed to this month.

In a three-paragraph statement, the sovereign state fund added that all payments due from 1MDB to IPIC would be made from the proceeds of the 1MDB rationalisation plan.

"1MDB itself is awaiting funds that were due to be received in July 2017. Due to the need for additional regulatory approvals, the receipt of those funds has been delayed to August 2017," it said.

"As these are the funds which will be used to pay IPIC, 1MDB has written to IPIC to inform them of our commitment to meet the obligations, originally due on July 31, 2017, in August 2017," it said.

1MDB was supposed to pay US\$1.2 billion in two equal payments on July 31 and Dec 31.

IPIC in return told 1MDB and Ministry of Finance Inc (MoF Inc) that they have five days of grace period to pay up or face further legal obligations.

IPIC was a guarantor for some bonds issued by 1MDB. Following 1MDB's alleged failure to make certain payments

to IPIC, both companies agreed to undergo an arbitration in London. However, both firms reached a settlement halfway of the process.

Meanwhile, *Bernama* reported Second Finance Minister Datuk Seri Johari Abdul Ghani as saying that 1MDB will manage the payment issue to IPIC.

"Let them resolve this issue, this is company matter. If they say they will be able to pay, let's wait for them to pay," he was quoted as saying after chairing the Budget 2018 Focus Group Meeting yesterday.

On whether public funds would be used should 1MDB seek government assistance, he said, 1MDB had not met with the Finance Ministry.

"You do not assist people when they do not come to see you. This should not be an issue at this moment because it is being handled at the board level," he said.