

Newspaper	NEW STRAITS TIMES
Date	17/09/2017F

'DR M SAID EPF SHOULD INVEST MORE ABROAD'

NST- 17/9/2017 Pg. 9

Ex-PM had said this would secure better dividends for members, says Shabery

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THE opposition should stop second-guessing investment decisions made by professional managers of the country's funds. Umno Supreme Council member Datuk Seri Ahmad Shabery Cheek said previous successes abroad by both the Employees Provident Fund (EPF) and Khazanah Nasional had benefited Malaysians.

"Is it wrong for these funds to

seek out the best investments that will maximise returns for the savings of Malaysians?"

Shabery's question was directed at Tun Dr Mahathir Mohamad and opposition leaders who had been critical over the investment moves announced by Prime Minister Datuk Seri Najib Razak during the latter's recent working visit to the United States.

He also urged Dr Mahathir, who is Pakatan Harapan pro-tem chairman, to remind opposition leaders that he himself had stated in 2005 that EPF should invest more of its funds overseas to secure better dividends for its members.

"I was surprised to learn that Dr Mahathir has changed his mind and position in criticising

Khazanah and EPF's investments in the US. (This) shows he is playing politics of hatred while disregarding the people's welfare and interests.



Datuk Seri Ahmad Shabery Cheek

"At that time, he (Dr Mahathir) said EPF had RM240 billion funds and that investing it all locally would mean low returns. He said EPF must invest overseas to increase its income.

"As at the end of June this year, EPF's fund size has reached RM759.78 billion. (This is) more than three-fold of what it was when Dr Mahathir made that statement."

Shabery went on to clarify that EPF's overseas' investments, which were 29 per cent of its total investment assets, had contributed about 32.5 per cent to

EPF's total investment income in this year's second quarter.

He said overseas' investment was not something new for EPF and Khazanah Nasional, adding that Khazanah opened its office in the Silicon Valley in 2013.

He said in 2014, Khazanah made more than US\$1 billion in the listing of Alibaba, which was a five-fold return on its investment.

"Much of the funds for its US\$400 million investments in technology firms in the US came from Alibaba profits."

EPF, he noted, had also recorded big successes in infrastructure project investments in the past.

"In 2013, EPF, together with other government-linked companies like Sime Darby and SP Setia, whose major shareholder is Permodalan Nasional Bhd, took up the multi-billion pound project to develop the landmark Battersea project in London.

"The project has turned out to be a success that will mean billions of pounds in profit for our companies," he said.

Najib's announcement on upcoming investments in the US during his US visit had drawn criticism from opposition leaders.

Among them were Dr Mahathir, who denounced the idea as bad investments as the US had enough money, and that Malaysia had not benefited from the meeting between Najib and Trump.

Treasury secretary-general Tan Sri Dr Mohd Irwan Serigar Abdullah said there was nothing extraordinary about EPF and Khazanah investing in the US.

Irwan said EPF had invested in countries such as the United Kingdom and the US to ensure maximum returns to contributors.

"EPF's investments abroad existed even before Najib's visit to the US."