

KHAZANAH SHOULD DROP UNDERPERFORMERS, SAYS PM

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This will save sovereign wealth fund from incurring more losses, Dr Mahathir says



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KHAZANAH Nasional Bhd may have to drop some underperforming companies to save the sovereign wealth fund from incurring more losses, Prime Minister Tun Dr Mahathir Mohamad said.

He said such business decision was necessary to save Khazanah, adding that the sovereign wealth fund should have a comprehensive action plan to revive its position so as not to continue to suffer losses.

"I believe Khazanah owes an explanation to everyone, from the *wakil rakyat* (elected representatives) to the whole country. Surely, it was due to (bad) businesses, particularly due to the unsatisfactory performance from Malaysia Airlines (MAS).

"This is not going to be an easy thing to overcome but I am confident they have a plan to overcome the problems faced by the underperforming companies...maybe (Khazanah) will drop a few (of the companies)," he said during a press conference with the local media here shortly before returning to Malaysia.

"This (the loss) is not easy to recover.

"Nevertheless, I am sure they (Khazanah) have plans to overcome problems faced by the poor-earning companies... maybe they will divest their stakes in some companies."

When asked if the poor-per-



Prime Minister Tun Dr Mahathir Mohamad and his wife, Tun Dr Siti Hasmah Mohd Ali, with Malaysian residents in Manila yesterday. BERNAMA PIC

forming companies had been identified, Dr Mahathir said discussions on the matter had not taken place.

"However, this (cutting the companies loose) is one of the ways to save Khazanah," he said.

Khazanah on Tuesday had announced that half of its total impairment costs of RM7.3 billion in 2018 was contributed by the RM6

billion fund injected into MAS, which it took over in 2014.

The *New Straits Times* (NST) recently reported that MAS' days as a national carrier may be numbered as it has failed to meet its three-year target to be profitable.

Instead, it had been bleeding since it was taken private in 2014.

The NST, quoting aviation analysts, reported that the best deal for the airline was to completely shut down its operations or sell it to interested parties or spin off its business divisions.

Speaking on another matter, Dr Mahathir said Malaysia's recent membership in the International Criminal Court was one of the ways to deal with cross-border transnational criminals.

"Crimes nowadays are not confined to our own country.

"Sometimes, the crimes that affect us are committed in another country.

"For example, money laundering can be committed in the United States, but it (the impact) has direct consequences in Malaysia. We have to look into that," he said.

On the delicate power play involving the Spratlys archipelago dispute involving Malaysia, Brunei, the Philippines, Vietnam, Taiwan and China, Dr Mahathir said the

meeting with Philippine President Rodrigo Duterte had focused on the need for Asean member countries to have a common stand on the matter.

"We only focused on the need for the Asean growth, to have a common stand.

"For this to happen, of course Asean members must focus on this issue so that our future policy will not create any problems and confrontations with China."

Dr Mahathir and Duterte had a four-eyed meeting on Thursday at Malacanang Palaceto discuss

ways to improve bilateral ties and regional security.

Commenting on his three-day visit to the Philippines, which he regarded as his first official visit to the country, Dr Mahathir said it was successful and allowed the two leaders to cover a lot of issues.

"I think we have established good relations with the government of the Philippines."

The prime minister also played down the issue on the Philippines' claim on Sabah, saying that it was alluded to, "but not a subject of very forceful discussions".

Earlier, Dr Mahathir had meetings with Mindanao Development Authority's chairman Datu Abul Khayr Dangcal Alonto and Bangsamoro Autonomous Region in Muslim Mindanao Interim Chief Minister Murad Ebrahim.

"They (the leaders) hoped to get our input on ways to boost investment in the region and provide better employment opportunities to their people, particularly combatants who only knew how to go to battles."

Dr Mahathir said he looked forward to be part of the development process in the newly autonomous region.

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