

PM declares debt waivers for FELDA

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'This will be a new starting point for settlers to diversify source of income'

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KUALA LUMPUR: The government has pushed the "reset button" for the Federal Land Development Authority (Felda) after it agreed to waive a portion of its settlers' debt worth RM8.3bil under a conditional loan adjustment initiative.

In his inaugural Felda Day speech, Prime Minister Tan Sri Muhyiddin Yassin said the government has identified debt as one of the issues that has hindered Felda's progress.

"This debt issue must be corrected first to facilitate the process to revitalise and restart Felda.

"With that, I would like to announce that in principle, the government has agreed with Felda's proposal to dispose part of the settlers loan worth RM8.3bil via a conditional loan adjustment initiative, especially for the pioneer generation

that have sacrificed their sweat and tears to enable the success of the land development programme," he said.

With this initiative, Muhyiddin said loan repayments will be reduced by an average of 80% for each settler.

"The average loan repayment is expected to be reduced from between RM800 and RM1,000 a month to between RM250 and RM300 for oil palm settlers. For rubber smallholders, it will go as low as RM150 each, which is a reasonable and affordable rate for them," he said in his speech that was streamed over Facebook Live yesterday.

Under the conditional loan adjustment, there will be a partial adjustment for the balance of the replanting loan exercise worth RM8bil as at Dec 31, 2019, which will benefit 92,441 settlers (or 82% of the 112,638 settlers).

There will also be a full adjustment for the loan balance of FGV Holdings Bhd shares of up to 7% worth RM78mil, as at July this year, which will involve 38,043 settlers (34%).

It will also include a full adjustment of the original (pioneer) development loan balance amounting to RM56mil as at Dec 31, 2019, which will benefit 6,711 settlers.

Muhyiddin said these efforts taken by the government will become a fresh starting point for settlers nationwide to be more focused on increasing their revenue and income.

He added that he hoped with the signing of a new agreement with Felda under the conditional loan adjustment initiative, Felda settlers will remain committed to fulfilling all the agreed terms so they will jointly carry the responsibility to boost productivity and ensure

Felda's sustainability.

Muhyiddin also praised the Felda Settler Development Programme (PPP), which is designed to encourage settlers to venture into entrepreneurship as well as a stepping stone to reform Felda.

"I'm confident that the programme will reduce the dependency on commodity price cycles, and diversify the source income for settlers.

"God willing, this new approach will make Felda an exemplary blueprint for future rural development in line with the Shared Prosperity Vision 2030," he said.

The prime minister also said Felda's previous successes have been acknowledged, and are a model for many countries abroad.

"These successes include efforts to eradicate poverty, improve the country's commodity output, and improve the standard of living, espe-

cially for those in rural areas," he said.

Muhyiddin added that Felda has the advantage of scale, with a land bank of 832,000ha and the potential to rebound and become a world-leading plantation company.

"Similar with other Malaysians, I would like to see Felda's name ranked on the list of the most successful global companies, such as being in the Fortune Global 500.

"I realise it is not an easy task, but with the three-pronged strategy – restart, revitalise and reform – and with the commitment from the new management team as well as government support, it is not something that would be impossible to achieve," he said.

Watch the video
TheStarTV.com

