

Billions to keep Felda ticking for another 10 years

SERDANG: The government has approved allocations of up to RM1bil annually for a decade to ensure the survival of Felda.

Prime Minister Datuk Seri Anwar Ibrahim said the distribution of Felda sukuk financing funds was previously delayed due to the government's commitment to financing the economic stimulus package.

"With the support of the Cabinet, I have approved funds of up to RM1bil annually for a period of 10 years to Felda.

"It is for the survival of Felda as a large institution in the country," he said in a speech at the Felda 2023 Settlers' Day celebration here yesterday.

On June 28, the government announced it had signed a government guarantee for Felda to restructure loans through the issuance of sukuk and revolving credit in an effort to restore the agency's financial position. This also allowed Felda to cancel 80% of the settlers' debt amounting to RM8.3bil.

Anwar said the unity government understood what the settlers were facing and the move to cancel the debt was to raise the status of Felda.

Meanwhile, he said the government was also considering drastic efforts to help rubber settlers switch to other commodity crops subject to the approval of the relevant state governments.

He said other commodity crops included oil palm and coconut trees.

"However, I request a little time for the Finance Ministry and the Plantation and Commodities Ministry to discuss cost implications.

"This decision includes the replanting fees, which will have financial implications because it involves many parties such as Felcra Bhd and the Rubber Industry Smallholder Development Authority (Risda)," he said.