

Fitch ratings upgrade proves Putrajaya's success in handling economy, says 1MDB
The Malaysian Insider
July 2, 2015

Fitch Ratings' decision to upgrade Malaysia's outlook from "negative" to "stable" proves that the government is doing well in managing the economy, 1Malaysia Development Berhad (1MDB) said.

1MDB president and group executive director Arul Kanda Kandasamy also commended the Finance Ministry and Bank Negara for highlighting the achievements in the economy.

"As a Malaysian, I am proud that the country has achieved a Fitch Ratings upgrade from negative to stable outlook. This is the result of an independent review by an external party and represents recognition of the growing strength of the Malaysian economy.

"Furthermore, the upgrade is evidence of the government's success in ensuring the continued economic stability of our country," Arul Kanda said in a statement today.

He said 1MDB had also met with Fitch ahead of the rating agency's revision of the outlook, and they had discussed the troubled state investment arm's situation.

"In relation to 1MDB, we had conversations with Fitch in advance of the upgrade, in which we discussed the company's current situation and provided confidence in the measures being taken.

"We were open about the challenges we face, outlined our efforts to reduce the company's debt as presented in our rationalisation plan, and provided information on the various actions that have already been taken including the repayment of a RM3.6 billion loan in June."

On Tuesday night, Fitch Ratings reaffirmed Malaysia's credit rating at A- and revised its outlook from "negative" to "stable".

In a statement issued before midnight on Tuesday, Fitch said the federal government's debt and explicit guarantees had continued to increase. Total explicit guarantees, as at end-2014, rose to 16% of GDP from 15.4% a year ago.

Fitch also said it "continues to believe that the Malaysian sovereign is incurring additional contingent liabilities beyond explicit guarantees because of quasi-fiscal operations of state-owned entity 1MDB". – July 2, 2015.

Copyright © 2015 Edge Insider Sdn Bhd

Source:

<http://www.themalaysianinsider.com/malaysia/article/fitch-ratings-upgrade-proves-putrajayas-success-in-handling-economy-says-1m>