

No plans to dissolve 1MDB, says Finance Ministry
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It says redevelopment of the 486-acre Sungai Besi old airport will start as soon as the transfer of facilities of the Kuala Lumpur Air Base is completed.

KUALA LUMPUR: The government has no plans to dissolve 1Malaysia Development Bhd (1MDB) for the time being, said the Finance Ministry.

The ministry said 1MDB was a long-term project to capitalise on international investments and expertise in projects with high multiplier value and innovation.

“Among the investments carried out by 1MDB is the Tun Razak Exchange (TRX), Bandar Malaysia and in the energy sector,” the ministry said in a written reply to Dr Ko Chung Sen (DAP-Kampar) in the Dewan Rakyat today.

Dr Ko had enquired on the achievements of 1MDB thus far to drive Malaysia towards attaining Vision 2020 since it was established in 2009.

He also wanted to know if Prime Minister Najib Razak approved all important decisions and transactions as well as whether 1MDB would be dissolved before 2020.

The ministry in its reply said TRX had been identified by the government as the initial project under the Economic Transformation Programme to double the per capita income by 2020.

“The project is estimated to have a gross development value of RM40 billion and will be constructed over 15 years with the vision of developing Kuala Lumpur into an international financial hub in line with the desire of the government to make TRX a global city,” it said in its reply.

On Bandar Malaysia, the Finance Ministry said the project, which was the redevelopment of the 486-acre Sungai Besi old airport, would commence as soon as the transfer of facilities of the Kuala Lumpur Air Base was completed.

“A large section of the project would be allocated to the development of affordable houses,” the reply said.

The Finance Ministry said the energy sector was one of the focus sectors of 1MDB through its subsidiary Edra Energy. 1MDB is the leading independent energy producer in Southeast Asia with a portfolio of power generation plants and desalination plants in five countries.

According to the reply, 1MDB, despite facing a mismatch between income stream from its business operations as well as sales of assets with revenue outflow from debt interest payment and principal servicing, the government had taken various measures to carry out strategic studies as well as the implementation of its rationalisation plan.

“Among the results of the rationalisation plan is the repayment of debt amounting to US\$975 million with International Petroleum Investment Co (IPIC) in which the implementation of a term paper with IPIC is expected to reduce the company’s debt by up to RM16 billion and with more than RM1 billion worth of TRX land sold,” the reply said.

– *BERNAMA*

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