

Ignore The Noise, Najib Tells US Investors

Bernama

Oct 1, 2015

From Mokhtar Hussain

NEW YORK, Oct 1 (Bernama) -- On the sidelines of the United Nations general debate, Datuk Seri Najib Tun Razak had breakfast meeting on Wednesday with several American fund managers, urging them to ignore the "noise" back home in Malaysia related to 1Malaysia Development Bhd (1MDB) but look instead at the "real" fundamentals of a resilient economy despite the current economic volatility.

He later sat through a lunch with US business leaders, highlighting Malaysia's positive competitive index as affirmed by leading ratings agencies such as Moody's, Standard & Poor's and Fitch as well as Bloomberg declaring Malaysia as the world's fifth most promising emerging market.

"The government is here to stay," the prime minister said.

"I am not in a hurry to go back home for fear of losing my job or something like that," he said, adding that the government would serve its five-year mandate before the next election.

While in New York, Najib had attended various meetings at the UN headquarters. He is scheduled to deliver a speech during the general debate on Thursday before departing for Milan for another working visit in Italy.

On 1MDB, Najib said the company was expected to announce "in the coming days" a further reduction of its total debt by about RM16 billion.

The prime minister said that he had given his undertaking that the government would need six months until the end of the year to reduce the debt and turn around the company.

"Bank Negara has come up to say there is no systemic risk related to 1MDB. We have more assets than liabilities," he said.

On the proposed sale of Edra Global Energy Bhd, Najib said there were already attractive offers for the power generation arm of 1MDB.

"So I am quite confident by the end of the year, we will be able to show that 1MDB is basically a corporation that is able to go through the process of rationalisation with a massive reduction in debts," he said.

He explained that the business model of 1MDB is based on the concept of "fast IPO" and not using a lot of government funds.

He said currently the indicators were good for the Malaysian economy but "the noise level

may not be all that positive about Malaysia."

On the Bersih 4 demonstration and the subsequent anti-Bersih protest in Kuala Lumpur recently, Najib said despite the two rallies, there is political stability in Malaysia.

Najib said the demonstrations were managed well by the police, who did not have to resort to the use of force.

"They ended up on a good note," he said.

"Being a mature democracy, we have to allow a little bit of divergence of views. People made their protests but at the end of the day, we hope the like-minded and rational people will prevail.

"The next election is not due until 2018. (Till then) we will continue our agenda for the country," he said.

The prime minister said the government would continue to make tough, even unpopular decisions, for the benefit of the people.

He said it was fortunate that the government had introduced the GST and the rationalisation of petrol subsidy as part of its fiscal consolidation measures to sustain growth.

"Nobody expected the price of petrol to take such a sharp drop, and that has affected our income from Petronas dividends and petroleum income tax.

"With the GST, the government therefore is able to implement its (development) programmes and operating expenditure," he said, adding the GST would enable the country to recoup some of the sharp reduction in revenue.

The prime minister said he would announce the details relating to the revenue derived from the GST when he tables the national budget in Parliament on Oct 23.

"In the political world, you have to take some tough decisions, but if it is the right decision in the long and medium term, people will perceive that it is the right move," he added.

Najib also reassured investors that the government would not impose capital controls but would continue to make adjustments to the operating expenditure to make it more prudent and market-friendly.

However, the prime minister said, there would not be any scaling down of major infrastructure projects particularly the MRT semi-underground system, Pan Borneo Highway, Refinery and Petrochemical Integrated Development (RAPID) in Pengerang and the Kuala Lumpur-Singapore High-Speed Train.

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