

Ignore 1MDB noise, Najib tells American investors
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Datuk Seri Najib Razak who held a breakfast meeting yesterday with several American fund managers in New York, urged them to ignore the "noise" back home in relation to the 1Malaysia Development Bhd (1MDB) but to look instead at the "real" fundamentals of a resilient economy despite the present economic volatility.

He later joined a lunch with American 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 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 general election.

While in New York, Najib had attended various meetings at the United Nations headquarters. He is scheduled to deliver a speech during the general debate today before departing for Milan.

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.

He said that he had given an undertaking that the government would need six months until year-end to reduce its 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."

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

He said 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 "red shirt" protest in Kuala Lumpur recently, Najib said despite the two rallies, there was political stability in

Malaysia.

"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."

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 the government had introduced the goods and services tax (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 that 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 revenues from the GST when he tables the Budget 2016 on October 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."

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, there would not be any scaling down of major infrastructure projects, particularly the MRT system, Pan-Borneo Highway, Refinery and Petrochemical Integrated Development (RAPID) in Pengerang and the Kuala Lumpur-Singapore high-speed Train. – Bernama, October 1, 2015.

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