

**Solve 1MDB controversy for economic recovery, says Muhyiddin**  
**Malaysian Insider**  
**Oct 20, 2015**  
**By Md Izwan**

Putrajaya should solve the 1Malaysia Development Berhad (1MDB) controversy so that the economy can recover, Umno deputy president Tan Sri Muhyiddin Yassin said today.

The former deputy prime minister, who has become one of the state-owned investment firm's chief critics, said that 1MDB was the biggest crisis faced by the country at the moment.

"1MDB is the biggest crisis we are facing. That was why I mentioned about confidence, integrity and transparency," he said during his speech at the Malay Economic Action Council (MTEM) hi-tea today.

"It affects our image and also the leaders' integrity," he added.

He said that even though economic fundamentals were still alright, political stability was also important.

"If we don't factor in political realities in order to overcome economic problems, then I don't think that view is accurate," said Muhyiddin, who was dropped as deputy prime minister in a July Cabinet reshuffle after openly questioning the government's handling of 1MDB's alleged financial irregularities.

Muhyiddin added that Malaysia's current situation had led people to question the government.

"If there is no confidence, people will stay away, investors won't come.

"I have data showing that investments in our country has declined from before.

Those who want to come here are thinking many times now because they can't be certain about our political situation. They don't know what will happen in the next one or two years," the veteran Umno leader said.

Muhyiddin noted that Malaysia's economic growth was expected to fall short of the 5% target, in addition to the existing challenges posed by the ringgit's drop in value against the US dollar. The currency is performing at its worst since the Asian economic crisis in 1998.

"I hope the government has some proactive measures to be announced in the 2016 Budget," he said.

He said that the bottom 40% of the population are coming under increasing pressure due to the increase in the cost of living.

"They are feeling extraordinary pressure," he said, adding that this involved "bread and butter issues".

Najib will be tabling the 2016 Budget this Friday and has said that it will focus on helping the lower-income group and the bottom 40% of households. – October 20, 2015

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