

Edra boycott: Why so scared? asks Rafizi

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Rafizi claims that his critics' "panic" over the matter meant they were not confident that the IPOs would sell without help from the institutional investors.

PETALING JAYA: PKR vice-president Rafizi Ramli has questioned why Umno ministers are becoming so “defensive” over his call for Malaysian institutional investors responsible for public funds to boycott the initial public offering (IPO) by Edra Power Holdings Sdn Bhd, a former subsidiary of 1MDB.

In a statement on Tuesday, he named some of these institutional investors as the Employees Provident Fund (EPF), Tabung Haji, Retirement Fund Incorporated (KWAP), Social Security Organisation (Socso), Permodalan Nasional Bhd (PNB), Khazanah and Mara.

He said these investors should stay away from the IPO to avoid having public funds ensnared for a second time in the 1MDB scandal.

The call was met with criticism the next day by Umno minister Abdul Rahman Dahlan who said Rafizi’s call for a boycott could be construed as “economic sabotage”.

Earlier today, Setiawangsa MP Fauzi Zahari and Second Finance Minister Johari Ghani had also taken Rafizi to task. Bernama had quoted Fauzi as saying the call was nonsensical and politically motivated, while Johari was quoted as saying that the government-linked companies and investment firms were free to conduct their own due diligence and decide whether to invest in the proposed IPO.

Rafizi, however, claimed that his critics’ “panic” over the matter had meant that they were not confident that the IPOs would sell without help from the institutional investors.

In a live video on his Facebook page today, Rafizi said this showed a stark contrast to how Barisan Nasional (BN) had in the past said Edra was a valuable asset that would increase in price.

“If Edra is truly a valuable company then why would they care if it’s bought with public funds or not? In fact, if it’s truly as valuable as they say it is then wouldn’t it be better for the company to be listed in New York, London or Singapore where there are more wealthy people who buy shares compared to Kuala Lumpur? The big investors in Kuala Lumpur are these institutional investors,” he said.

“This apparent panic over the boycott only proves that the call is the right thing to do so that the people aren’t burdened by this company for the second time.”

The Pandan MP said the impending listing of Edra on Bursa Malaysia to raise up to RM5 billion must be given serious attention.

He added that if Edra’s share offerings are taken up by investment funds or funds owned by Malaysians, it would be similar to “Malaysians bearing 1MDB’s debts twice” as the first round of debts taken up by 1MDB were misappropriated.

However, Rahman had said savings arising from the fairer PPA rates to Tenaga Nasional Berhad (TNB) and Petronas gas subsidies were estimated to be RM200 billion over the next 20 years.

Rafizi revealed today that he will also be holding a campaign on social media where those in support of his call to boycott the IPOs will be able to sign a petition which will then be given to institutional investors.

“The executives of these institutions are paid huge salaries and are entrusted by the people. I hope with these petitions, they will fear the public’s voice more than they fear the orders that may be given from Putrajaya.”

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