

## **Rahman Dahlan: Call to boycott Edra IPO 'economic sabotage'**

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### **Minister in the Prime Minister's Department says Edra had in fact enabled 1MDB to drastically reform the nation's independent power plant (IPP) industry.**

PETALING JAYA: Umno minister Abdul Rahman Dahlan says Rafizi Ramli's call for investors to boycott the initial public offering (IPO) by Edra Power Holdings Sdn Bhd can be construed as "economic sabotage".

He added Rafizi was out of line to ask Malaysian funds to boycott the proposed listing of Edra on Bursa Malaysia, claiming the former 1Malaysia Development Berhad (1MDB) subsidiary had enabled the sovereign wealth fund to reform the independent power plant (IPP) industry.

"After 1MDB entered the IPP business, the government called for the first ever open tender on power purchase agreements (PPA) in September 2012.

"1MDB consistently put in the lowest bid for every new or renewed PPA, thus helping to push down the PPA price for all other bidders," he said in a statement today.

Yesterday, Rafizi, who is PKR vice-president, had said institutional investors such as the Employees Provident Fund (EPF), Tabung Haji and Retirement Fund Incorporated (KWAP) should stay away from the IPO to avoid having public funds ensnared for a second time in the 1MDB scandal.

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 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.

The minister in the Prime Minister's Department claimed that fairer IPP rates and terms, which used to make up 40% of its cost, had contributed to TNB consistently reporting record profits instead of registering losses and requiring government assistance as it had in the past.

He added that Petronas' gas subsidies bill for 2015 was a third less than it was in 2012, which amounted to savings of RM10 billion.

"These huge savings are now spent back on projects and welfare that benefits the people while still keeping electricity prices low for everyone.

"This is also the reason why since 2013, the opposition is no longer talking about lopsided IPP deals as the current government has solved this long-standing legacy problem of the past through 1MDB," he said.

Rahman also slammed Rafizi for linking Edra to 1MDB, pointing out that Edra had been sold to a foreign investor via an international open tender.

"Today, 1MDB no longer has any business links with Edra Energy," he added.

Edra, the former holding company of 1MDB's energy assets, was sold to China General Nuclear Power Corporation (CGNPC), an independent power producer, for RM9.83 billion in 2015 as part of a "rationalisation effort" to reduce the debts of the sovereign investment fund.

Rahman said Rafizi should retract his call for "such a senseless boycott", adding that it would only undermine foreign investor confidence in Malaysia.

"YB Rafizi should leave it to the professional managers of our local funds to decide whether investing in Edra makes business sense to them or if it is in line with their investment strategies," he said.

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