

Dust not settled with ongoing probe at Finance Ministry

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PUTRAJAYA, June 9 (Bernama) -- The dust has not settled just yet as Finance Minister Lim Guan Eng hinted of certain 'red files' which will open a floodgate of scandals following the probe at the ministry which he took over under a new government.

"If you talk about scandals running into billions, the nasty ones, I think that is about it. But the probe is ongoing. The others are small ones, in millions (maybe). We will deal with it later.

"Documents are still being dissected. It is a painful process but a necessary one.

"You got to wait and clean it up," he told Bernama in an exclusive interview exactly one month after the 14th General Election, which saw Pakatan Harapan pulling off a shocking victory to take over Putrajaya.

Asked whether some files could have been destroyed before the change of guard, he said, "You can destroy documents but we can construct them. These days you got money trails. So, it is very hard to hide."

Lim said when he reported for duty as the country's Finance Minister on May 22, 2018, what laid on his table was worse than expected.

"I was shocked. I have been swimming in the sea of red inks (ever since)," he said.

It was revealed that the government had been forking out money, amounting to the tune of RM6.9 billion to service the debts of 1Malaysia Development Bhd (1MDB) since April 2017.

That was followed by the revelation that the previous Barisan Nasional (BN) government had also used money raised from a deal with sovereign wealth fund Khazanah Nasional Bhd as well as proceeds from a land sale to Bank Negara Malaysia to help service 1MDB's debt obligations.

And while Malaysians are still grasping with these pieces of information, another gas pipeline scandal involving a staggering RM9.41 billion came to light, also linked to 1MDB.

"They were literally lying through the teeth," said an obviously frustrated Lim.

"So, they (BN) say, they were following IMF (International Monetary Fund) standards. So, it is RM686.8 billion (debt). But what about the government guaranteed debts (amounting to RM199.1 billion)?"

"And public-private partnership projects worth RM201.4 billion, which all totals up to RM1 trillion debt.

"So, in economic terms a doubtful debt recognised as a bad debt, that should be written out.

"So, what we have here is bad debt that we are paying on behalf of companies like 1MDB," he explained.

However, Lim assured that Malaysia was fortunate due to the change of government.

"We can now really address our debt issue," he said, adding that the new government was not into sugar-coatings.

He said the people deserved to know the truth and it was important to establish a true baseline on the state of financial affairs for the country to rebuild itself.

The Pakatan Harapan government went on the ground and wasted no time in getting things

done.

"The Prime Minister (Tun Dr Mahathir Mohamad) announced the abolishment of the Goods and Services Tax (GST), we have also stabilised the fuel price, we announced the 'Bantuan Sara Hidup Rakyat' and the RM400 special payment for the civil servants of Grade 41 and below (for Hari Raya)," he said.

The government also announced a RM200 special payment for pensioners.

"That is RM22 billion given back to the people. We can do this without GST," he said.

Moving forward, he said more needed to be done to cut down finances and save. As "(Prime Minister) Tun Mahathir said, we (also) cannot be expecting free handouts anymore."

Pressed for more details on the new government's plan and what would transpire in 2019 Budget, Lim said: "Can you let me get through this year first?"

"We have to take the (bitter) medicine. After all, our Prime Minister is a Doctor. I think it (country's debt woes) can be cured."

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