

1MDB aims to resolve debt issue, Dewan told

by **PREMALATHA JAYARAMAN**

1MALAYSIA Development Bhd (1MDB) aims to resolve its debt and cashflow problem without the government's financial assistance, said Deputy Finance Minister Datuk Johari Abdul Ghani.

He said the sovereign wealth fund implemented its strategic rationalisation plan early this year to resolve its RM42 billion debt.

"If all the strategic plans are implemented quickly and without any hurdles, it would

reduce 1MDB's debt interest charges," Johari said when replying to Rantau Panjang MP Siti Zailah Mohd Yusoff in Parliament yesterday.

Siti Zailah wanted to know 1MDB's current status and the short- and long-term solutions to ensure 1MDB's debts will not continue to burden the country.

Johari said the rationalisation measures include assets sales and equity partnership.

"We are confident of resolving the debt incurred without government financial assistance," he said, adding that the

key issue faced by 1MDB presently is its unsustainable business model that relies on debts to generate income.

"There are lots of negative perceptions on the company which prevent local investors and companies to invest in 1MDB," Johari said.

He said 1MDB has announced its rationalisation plans which include debt for asset swap with International Petroleum Investment Co, equity sales in Edra Global Energy Bhd, Bandar Malaysia land sales in Tun Razak

Exchange and disposal of non-core assets to resolve the firm's RM42 billion debt.

On Monday, 1MDB sealed a deal to sell its entire power asset under Edra Global Energy to China General Nuclear Power Corp for RM9.83 billion cash.

Johari also reiterated that 1MDB is not the cause for the fall of the ringgit.

He said the weakening of the ringgit is due to several external factors including the fall of crude oil prices and uncertainties in global economies.