New Strait Times - Deal To Preserve Abu Dhabi Ties

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'DEAL TO PRESERVE ABU DHABI TIES'

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Govt looking at bigger picture of maintaining relationship, says Johari

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THE settlement of the arbitration between 1Malaysia Development Bhd (1MDB) and International Petroleum Investment Co (IPIC) was made to preserve the good relationship between Putrajaya and Abu Dhabi, said Second Finance Minister Datuk Seri Johari Abdul Ghani.

"At the end of the day, I think the government is looking at a bigger picture of relationship between Malaysia and United Arab Emirates," he said after CIMB Group Holdings Bhd's 2017 Labour Day celebration, here, yesterday.

Johari said while he was involved directly in 1MDB's rationalisation plan, he wasn't involved in the negotiations of the settlement.

1MDB and Abu Dhabi-based IPIC announced on Monday that they had reached a settlement via arbitration proceedings at the London Court of International Arbitration.

Under the settlement, 1MDB said it will make certain payments to Ipic and assume responsibility for all future interest and principal payments for two bonds issued by 1MDB Group companies due in 2022.

On concerns over taxpayers' money being used for the settlement, Johari said the ministry would not be paying anything on behalf of 1MDB.

Second Finance Minister Datuk Seri Johari Abdul Ghani

1MDB had said there were US$940 million (RM4.09 billion) units in Brazen Sky Ltd and US$1.5 billion investments in Global Investment Ltd.

"1MDB already announced when it signed the settlement agreement that it will monetise all these US$2.4 billion," he added.

Meanwhile, Johari commended CIMB Group's new incentive to help alleviate the burden of employees in the lower income group.

"Human capital development and inclusivity are key strategic thrusts under the 11th Malaysia Plan to ensure the Economic Transformation Programme.

"CIMB's fresh initiative to alleviate the burden of its lower income workers is laudable, and most fitting of a dynamic GLC (government-linked company) that sets the tone on employee welfare in Malaysia."

CIMB Group chief executive officer Tengku Datuk Seri Zafrul Tengku Aziz said initiatives to assist staff earning not more than RM3,500 included zero interest for a maximum of five years, or three years for completed properties, on loans not exceeding RM250,000 for housing loans.