

# KERATAN AKHBAR

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## Efforts to rehabilitate Felda on the right track

**PUTRAJAYA:** The Perikatan Nasional government's plan to rehabilitate the Federal Land Development Authority (Felda) is on the right track, says Minister in the Prime Minister's Department (Economic Affairs) Datuk Seri Mustapa Mohamed.

This included a decision in October last year where Felda would issue a RM9.9bil sukuk and also take back 351,000ha it leased to Felda Global Ventures Holdings Bhd, now known as FGV Holdings Bhd, under its new recovery plan.

He explained that these measures allowed Felda to reduce its debts by allowing the government to acquire FGV shares.

"So debts will be lowered because the interest rate now is lower compared to when Felda acquired those debts. So that addressed the issue of debts," he said to reporters during a joint press conference here on Thursday.

Mustapa also said that among positive measures taken to rehabilitate Felda is its present offer to buy out minority shareholders.

Felda is offering to buy out minority shareholders in FGV for RM1.30 each and the takeover offer will close on March 15.

"Felda's management hasn't decided on whether or not to continue it (takeover offer). This shows development in the sale of FGV shares," he said.

Felda previously announced that it had raised its stake in FGV to 73.88% after acquiring more shares in the open market and direct deals.

At the same time, Mustapa said the appointment of Datuk Seri Idris Jusoh as Felda chairman and Datuk Amiruddin Abdul Satar as its director-general would not just allow financial restructuring, but also organ-

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Datuk Seri Mustapa Mohamed

isation restructuring.

"We also introduced new technology, where oil palm can be harvested in a shorter period compared to before.

"So these are the measures that we took. First, we are on track with Felda's financials and second, there is a management revamp with new appointments," he said.

If all plans to rehabilitate Felda are on track, Mustapa said recovery could bear fruit by 2023.

"In 2023, with steps to enhance efficiency, financial restructuring including reducing debt obligation, Felda will be able to strengthen its financial position," he added.

Meanwhile, Mustapa said the government was committed to reducing the debts of Felda settlers and an announcement on the reduction of interest rates would be announced in May.

"They pay an average RM1,000 a month, which is a lot of money. With this restructuring, it will lessen their burden. The figure will be announced by its management in May," he said.

"We are expecting 2023 for Felda to be returned to its glory."

