

Headline	Group sees potential in 3 countries		
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Group sees potential in 3 countries

KUALA LUMPUR: Tenaga Nasional Bhd (TNB) has not made decisions on its investments in Turkey, Pakistan and India as the group still sees potential in the three markets.

Currently, the national utility company is focusing on strengthening its position in the countries.

“Last year, we faced impairment challenges and TNB took a very serious look at the conditions of the investments and (had) taken a prudent position... We have probably taken the bulk of the impairments.

“In terms of foreign exchange (forex), we will continue to look at means to hedge, if possible, and other forms of mitigation.

“The management has also been working hard to ensure the business models in those countries are on a good footing, and work is ongoing with business partners in those areas,” said TNB chief executive officer Amir Hamzah Azizan in a press conference after the group’s annual general meeting, here, yesterday.

On its investment in Turkey, Amir said despite some financial challenges, TNB continued to see good long-term potential in the asset.

“Electricity demand in Turkey is expected to rise and if you look at the portfolio that we have in Turkish-based Gama Enerji AS, the asset is good in terms of generation plant quality and water concession compared with the one in Jordan.”

It was previously reported that Gama Holding, Gama Enerji’s major shareholder, had been looking to restructure US\$1 billion (RM4.17 billion) worth of debt while Gama Enerji was looking to refinance a US\$500 million loan it took to construct a gas power plant in 2013.

Meanwhile, on India, Amir said its investment there had shown good growth potential and it would continue to intensify electricity use in the country.

“For Pakistan, it is part and parcel of the normal portfolio review that we carry out from time to time,” he said.

On whether TNB was looking to dispose of these assets in the future, Amir said strengthening the businesses would be the group’s ultimate focus for now.

In February, TNB reported its first quarterly loss after recording higher operating cost and increased impairments for more than seven years.

Net loss in the three months ended December 31, 2018 was RM134 million while operating profit fell to RM697 million.

It was, however, learnt that TNB is looking for buyers for the entities, although no firm negotiations are underway yet.

This is said to be part of the review the national utility group has carried out to mitigate the impact of its international businesses, which had led to the RM2.42 billion impairments last year.