

'What's wrong with minister's kids in project?'

Malaysiakini.com

October 31 ,2011

As far as the Agriculture and Agro-based Industries Ministry is concerned, there is "no conflict of interest" in the RM257 million soft loan awarded to the National Feedlot Corporation (NFC).

Nor does the ministry have any concern over the viability or performance of the project.

"The project is not (by) direct nego (negotiation). We offered it out. Six companies came forward.

"Where is the conflict of interest if the loan award is decided upon by the selection committee?" Agriculture and Agro-based Industries Minister Noh Omar (left) told Parliament today while winding up for the ministry during the policy stage of the Budget 2012 debate.

However, Noh did not name the minister who is related to the individuals with interests in the NFC, despite constant prodding by opposition MPs.

Noh also said that the Auditor-General's Report did not state any major issues with the project.

"If you look at the audit report, it does not say the project failed."

He argued that the report stated only that there are outstanding commitments by the government which have not yet been undelivered, which has caused some delays with the project.

Shahrizat's husband and children

In a press conference afterward, Noh admitted that allegations of family ties between NFC company officers to a federal minister are true, but saw no problem with the matter.

In a media package distributed to selected media prior to his press conference, the ministry listed the names of Mohamad Salleh Ismail, husband to Women Welfare and Community Development Minister Shahrizat Abdul Jalil, as well as their three children - Wan Shahimur Izran, Wan Shahimur Izmir and Wan Izzana Fatimah Zabedah - as the management team behind NFC.

"It's true... What's wrong with that?" he shot back when pressed by reporters.

The minister said that the selection committee which awarded the concession is not made up of one person, but staffed by experts who evaluated the merits of all the firms that bid for the project in 2006.

"It is not as if we awarded it direct to the company," he stressed.

He also defended the NFC for having youngsters on its board.

"We should be proud that there are youths who want to become cattle-herders."

Noh also said that the Auditor-General's Report did not state any major issues with the project.

"If you look at the audit report, it does not say the project failed."

Noh pointed to the concern of the audit report, which said only 5,742 heads of cattle had been slaughtered instead of the 8,000 targetted by 2010.

He explained that there is actually 8,016 heads of cattle in the NFC pens.

Slow early development

"Its just that they only slaughtered 5,742. This is because the abattoir they used is small, as the government promised large scale abattoir is still outstanding," reasoned Noh.

He argued that the report stated only that there are outstanding commitments by the government which have not yet been delivered, which has caused some delays with the project.

Among the commitments still outstanding from the government, explained Noh, are the construction of an abattoir, a food processing plant, a bio-fuel plant and the remaining 20 out of 71 satellite livestock farms which are supposed to be served by the feedlot project.

The minister also posited that the performance of the feedlot project has also been delayed, as not all the RM250 million in soft loans and RM13 million in infrastructure grants have been disbursed.

As of now, only RM181 million of the loan and RM6.2 million of the grant has been disbursed, since disbursement is subject to ministry monitoring of project performance.

However, Noh admitted, the project is being scrutinised by the Finance Ministry as to whether the government is going to go ahead with it because of the slow early development of the project over the undelivered government commitments.

The issue of the concessions granted to NFC has been fodder for the opposition which used it to attack the government with allegations of conflict of interest and a public funds sinkhole in the making.

Copyright © 1999-2007 Mkini Dotcom Sdn. Bhd
<http://www.malaysiakini.com/news/180098>