

Pemandu told to halt RM7bil expressway project
MalaysiaKini.com
January 31, 2012

Opposition parliamentarian Tony Pua today urged Minister in the Prime Minister's Department and Performance and Delivery Unit (Pemandu) chairperson Koh Tsu Koon to suspend and review the RM7.07 billion West Coast Expressway (WCE) project.

The Petaling Jaya Utara DAP member of parliament asked Koh to explain whether the staggering 134 percent increase in the project's cost was in line with Prime Minister Najib Abdul Razak's Government Transformation Programme (GTP).

azlan“Pemandu must demand that the Prime Minister's Office disclose all details, including the concession terms in the award to Europlus, especially since the award was made via direct negotiation.

“It has been more than five days since the announcement made by Europlus on Bursa Malaysia and yet the government has been steadfast in its refusal to shed light on the project,” said Pua in a statement.

According to Pua, Kumpulan Europlus Bhd in 2007 had announced that its subsidiary Konsortium LPB Sdn Bhd had entered into a concession agreement with the government to build the 215.8km stretch at a cost of RM3.015 billion, but four years later the amount ballooned to RM7.07 billion.

The public-listed company also revealed that it had received a RM2.24 billion government soft-loan, starting from next year and an interest subsidy of only three percent on commercial loans for a period of 22 years, to build the highway apart from the government bearing the estimated RM980 million in land acquisition cost.

He pointed out that one of the key initiatives under the GTP is the fight against corruption, and in order to deter the country's Corruption Perception Index from dipping further the government had promised “to reduce leakages of funds allocated for national development and operational expenditure and ensure transparency in the award of contracts”.

Last year, Malaysia dipped to the 60th spot in the annual Transparency International (TI) CPI ranking, after plunging from 47th to 56th spot in 2009.

Series of scandals

“Will Koh have the audacity to demand that the WCE project be suspended pending a review to ensure that Malaysia recovers from the pits of the TI CPI or will he chicken-out by shirking his responsibility as the chairman of Pemandu?” he asked.

meko 100 patrol vessel computer designed 220805Pua hit out that the fall in ranking “does not come as a surprise” following a series of “scandals” in the past two years, including the RM12.5 billion Port Klang Free Zone project, the RM9 billion naval patrol vessel purchase and the RM7.55 billion armoured personnel carrier acquisition, among others.

“To stop the rot, Koh must declare if the latest mega-highway concession has been awarded according to the principles and policies set out by the GTP to meet the prime minister's goals on transformation,” he said.

“The rakyat has been taxed mercilessly with lopsided concession agreements signed with independent power producers, highway operators such as the North South Highway (PLUS) and the Lebuhraya Damansara Puchong (LDP) as well as utility companies such as water suppliers,” added Pua.

NONEMeanwhile, TI president Paul Low (right) also stated his concern on the staggering cost of the mega project, highlighting the apparent lack of “transparency and proper procedure in awarding the contract”.

“Given the public funding and long concession period, there could have been proper governance and transparency in the award through an open, transparent and competitive procurement process and public disclosure of the terms and conditions of the contract,” said Low, in a statement yesterday.

He suggested that for a massive project such as WCE, an Integrity Pact should be implemented to curb risk of corruption, similiar to what the builders of the Mass Rapid Transit have done.

Low also pressured the government to provide details of the procurement process and the concession agreement for the WCE project.

“This will help show the government is committed to tackling graft in Malaysia through better disclosure and governance and consistency in implementation of integrity compliance measures in all public projects,” he added.

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