

KLIA2 cost overrun: DAP wants meeting with minister
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Petaling Jaya Utara MP Tony Pua is seeking a meeting with Transport Minister Kong Chong Ha next week for a clarification after the latter failed to publicly respond to the RM2.2 billion construction cost hike of Kuala Lumpur International Airport 2 (KLIA 2).

Pua (right) said Malaysia Airport Holding Berhad (MAHB) has on Jan 30 announced to Bursa Malaysia that it will raise approximately RM598 million from a proposed share placement exercise to fund the new low-cost terminal, a move deemed as compromising public financial interest.

He said existing MAHB major shareholders, which act indirectly as trustees to the government and public funds, are forced to dilute their shareholding by 10% as a result of the exercise.

"MAHB has also announced that assuming that the net earnings of the MAHB Group for the financial year ended Dec 31, 2011 remains unchanged, and therefore the earnings per share (EPS) of the MAHB Group will be reduced proportionately with the increase in the number of MAHB shares". he said in a statement today.

"The issuance of new shares to raise funds, is on top of RM3.1 billion in debt MAHB has raised in 2010, of which RM2.5 billion has already been drawn down for the purposes of financing the new KLIA2," Pua contended.

The airport was originally proposed location was in the north of the current airport in 2007 with cost estimated to be in the region of RM1.7 billion.

It was, however, shifted to a western site which Pua claimed has caused construction cost to bloat up to RM3.9 billion because the peat swamp site was not suitable for an airport.

Hence, the DAP national publicity secretary called on the minister not to pass the buck around but justify the drastic overspending.

He urged Kong to emulate his colleagues, the Defense Minister Zahid Hamidi and Health Minister Liow Tiong Lai, in making efforts to explain the defense procurement controversies and health infringements over Kedai Rakyat 1 Malaysia (KR1M) respectively to Pakatan MPs.

"A request for a meeting will be faxed today to his office and I am certain that the minister will have nothing to hide and similarly welcome us," he said.

Pua had previously called for heads to roll against Malaysia Airports Holdings Bhd's (MAHB) top executives for not disclosing crucial information about the KLIA2 site.

KLIA 2's scheduled completion date is April 2013.