

RM90mil in loans to S'gor wasted on failed projects

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After sustaining RM11 million in losses, two government-linked companies in Selangor have been sold off and a third has been shut down, a public hearing has heard.

The state Select Committee on Competency, Accountability and Transparency (Selcat) was also told today about three publicly-funded projects undertaken with RM90.3 million in federal loans.

Abdullah Ahmad Badawi meets the king to resign as PMThe companies, subsidiaries of the Perbadanan Kemajuan Pertanian Selangor (PKPS), began the projects between 2005 and 2006 with a Finance Ministry loan to develop and commercialise agriculture.

At the time, Abdullah Ahmad Badawi (right) was the prime minister and Selangor was under BN control.

However, the projects have all suffered losses or failed to meet targets which has resulted in heavy losses. This drew the attention of the auditor-general in the 2010 audit report.

The current PKPS management has found that the projects "have no hope of being revived".

To cut its losses, PKPS has sold two of the companies and shut down the third.

Weaknesses in management

BN Permatang assemblyperson Sulaiman Abdul Razak, who is also a Selcat member, however believed that the problem was inherent weaknesses in the management of the projects.

Unlike Selcat chairperson Teng Chang Khim, he saw no problems with the easy loan disbursements pointing to the good relations between state and federal governments at the time and a government policy to advance agricultural development.

Both Teng and Sulaiman believe that PKPS is to blame for the losses because they proceeded into new areas of business without proper expertise and management know how.

This session of the Selcat public hearings ended today with the probe into PKPS, and a report is expected to be released in two months time.

Selcat probed state sand mining consortium Kuala Semesta Sdn Bhd on Monday and state education foundation Yayasan Selangor yesterday.

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