

**PKR: Don't transfer RM50bil in KTMB assets to crony
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By Aidila Razak**

PKR today urged the government to freeze any plans to privatise Keretapi Tanah Melayu Bhd (KTMB) as it could lead to RM50 billion of land assets falling into the hands of a "BN crony company".

PKR director of strategy Rafizi Ramli said the concerns arise from reports by business publications that MMC Corp had submitted its operation and financial takeover plan in December 2011.

Rafizi said that this is even of greater cause considering that MMC Corp, controlled by business tycoon Syed Mokhtar al-Bukhary, had done "the same thing" when DRB Hicom took over Pos Malaysia.

"Syed Mokhtar is shopping for land banks. He has done this by taking over a state utility like Pos Malaysia via DRB Hicom.

"What conditions will the government put in place to ensure that the RM50 billion KTMB land bank does not fall into private or personal coffers?" he asked.

Malay-language daily Utusan Malaysia on Aug 24 had quoted sources as saying that MMC Corp has submitted its KTMB takeover proposal to the government.

Corroborating earlier reports by the Business Times and the Edge, the source said that MMC plans to inject RM1 billion in funds to support the takeover.

Kenanga Research in its July notes on MMC Corp said that the corporation is "unlikely to absorb KTMB's hefty debt (and) could be seeking a privatisation or concession of KTMB".

Speaking to reporters today, Rafizi said that if this is the case, it would be far more beneficial for the government to tender out the privatisation exercise.

"Without having to finance the overall debt... the cost (of the takeover) is much lower, so a lot more consortia will be in the position to bid on it as well," he said.

He added that while MMC Corp's intention to take over KTMB has been in the news for months, the submission of the proposal signals that it is very likely.

Rafizi said this follows the example of the RM8 billion MRT project, the underground package for which was won by Gamuda-MMC.

"Gamuda-MMC had gone to the government with a proposal, and... the project was implemented (by Gamuda-MMC) on the basis that the proposal paper shows they can do it," he said.

"The government cannot now say that because MMC Corp has presented a working paper, then they are most deserving."

A trend for Najib?

He said that an MMC Corp takeover of KTMB fits into the "trend" which sees Prime Minister Najib Abdul Razak allegedly dishing out projects to his "cronies".

Rafizi had earlier accused Najib of intervening on behalf of the George Kent consortium, which later won the Ampang LRT extension line tender.

He added that if the takeover proceeds, the government needs to also give an assurance that the RM1 billion will not be raised through bonds bought by government entities.

"The company can sell bonds which will later be bought by state-linked entities or state investment agencies, be it PNB or Tabung Haji.

"(If this is the case) I want to be Syed Mokhtar , too... So-called privately funded but actually the money comes from the government," he said.

He also urged the government to give an assurance that the livelihood of 5,000-odd KTMB employees will not be jeopardised if a takeover takes place.

By taking over KTMB, he said, MMC Corp will be in control of a key aspect land transportation and any efforts to revamp public transportation will need to go through MMC Corp.

"Any government who takes over after this, which means (Pakatan), will need to negotiate with Syed Mokhtar and he will be in a position to squeeze the public," he said.

PKR vice-president Nurul Izzah Anwar urged the government to consider the previously failed takeover of KTMB by the Merdak Unggul consortium in 1997.

"They took over for six years and it was proven to be a failure. KTMB is now running at RM150-200 million in losses a year.

"But the welfare of the workers cannot be set aside. I urge the government to allow KTMB president Elias Kadir, who has just taken over the post, to carry out the (turnaround) plans," she said.

She also cautioned that news of a likely MMC Corp takeover of KTMB may also raise market expectations that Gamuda-MMC will win further tenders for the MRT project.