

PM told: Don't dodge questions over Sime Darby
Malaysiakini.com
May 23, 2010

Has Sime Darby's Bakun Dam project led to cost overruns of RM1.7 billion? Will the government be asking Parliament for a RM700 million bailout package for Sime Darby?

These are among the questions that Prime Minister Najib Abdul Razak has to face the public and answer for rather than dodging responsibility for the matter, said DAP veteran leader Lim Kit Siang (right).

According to a recent news report, Sime Darby recorded more than RM1 billion in total cost overruns from civil works on the Bakun hydro-electric project in Sarawak.

Kit Siang, however, insists this is only part of the losses suffered by Sime Darby, given the loss of RM500 million from the RM974 million Qatar Petroleum project that was awarded in April 2006 and initially scheduled for completion in August 2008.

In addition to this, there was a RM526 million loss from the RM2.2 billion Maersk Oil Qatar project awarded in January 2007 and due for completion in October 2009, Kit Siang claimed further.

'A different kettle of fish'

sarawak energy board slide show hydropower project in sarawak 180608 bakun dam "The Bakun Dam is a different kettle of fish altogether," said Lim, who is also Ipoh Timor member of Parliament, in a statement.

"It has been reported that Sime Darby has incurred more than RM1 billion in cost overruns from carrying out a civil works contract for the hydroelectric project, with one estimate putting the total cost overruns at RM1.7 billion, which is almost the same size as Sime Darby's actual Bakun contract of RM1.8 billion," he added.

While investigations are being carried out to determine the causes of Sime Darby's losses and the persons responsible, Kit Siang said Najib "should not shirk responsibility" from giving Parliament and the public answers that are at his disposal.

Among them, said Kit Siang, is whether the Bakun Dam project has cost overruns of RM1.7 billion and whether the government will be asking Parliament for a RM700 million bailout package for Sime Darby.

'Mahathir was right... but overly hasty'

Kit Siang also said Najib must also address questions raised by former premier Dr Mahathir Mohamad over the issue, namely:

- Was the recently sacked Sime Darby CEO Ahmad Zubir Murshid the only one responsible?
- Who are the others who were involved with the project but failed to see that the cost overrun was very high and that the project had been delayed by almost three years?

mahathir ikmal presidential lecture 290410 Kit Siang said Mahathir should not, however, be overly hasty in spreading the blame for the fiasco, as the same type of blame-game was

also played out during the Sime Bank Bhd financial crisis that saw losses amounting to RM1.8 billion during the 1997/98 Asian financial crisis.

Only the bank's head Ismail Zakaria resigned, Kit Siang noted, while the group president and chief executive Nik Mohamed Nik Yaacob retired only six years later.

"Who was the Prime Minister during the Sime Bank crisis of 1997/8?" Kit Siang asked.

Copyright © 1999-2007 Mkini Dotcom Sdn. Bhd.
Source : <http://www.malaysiakini.com/news/132556>