

ECM Libra merger: Dissatisfaction lingers in PAC
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Second Finance Minister Mohamed Nor Yaacop's explanation has failed to satisfy all the members of the Public Accounts Committee (PAC) on the merger between ECM Libra and government-owned Avenue Capital.

PAC chairperson Shahrir Abdul Samad said the minister, during a briefing this morning, said there was nothing unusual about the deal since it obtained clearance from the Securities Commission (SC).

"To say we are satisfied (of the explanation given) is not right since the PAC consists of representatives of various political parties. We all have a different degree of satisfaction.

"The government feels that since the SC had no objection and the majority shareholders of the two companies want to merge, then the merger should take place without any interference," he was quoted as saying by Bernama.

The PAC, which has 14 members, is tasked to ensure government funds are well spent.

The ECM Libra-Avenue merger had raised eyebrows since when the deal was approved shortly after Prime Minister Abdullah Ahmad Badawi's son-in-law Khairy Jamaluddin bought a RM9.2 million worth of direct stake in ECM Libra.

This led to wide criticisms as Abdullah was overseeing government-linked companies (GLCs) in his capacity as finance minister.

Subsequently, Khairy was forced by public pressure to sell off his shares in ECM Libra last August.

Cabinet committee

Meanwhile, Shahrir said the PAC has called on the government to set up a cabinet committee to monitor decisions taken by GLCs, including Khazanah Nasional.

This would enable the government to have a "political oversight" over the running of these firms, he added.

Shahrir said there was now a dire need for setting up of such a committee as it could not only monitor performances of these GLCs, but also define their role in nation building.

"This cabinet committee could also monitor the concession given by the government to some companies and the performance of GLCs which had been privatised... we need to ensure that the government's investments are handled properly," he told reporters after the briefing.

Overall, he said, GLCs and Khazanah Nasional accounted for about RM114 billion in government funds, and since this was a huge figure, it was only right that a committee be formed to monitor their progress.

"We already have a cabinet committee for high impact investment. But this committee only

handles certain industries. We need a committee to ensure GLCs are on the right track," he added.

Advisory role

He said the PAC could not monitor GLCs because it had an advisory role and not a decision-making one.

"We have a role to ask but not to decide... we do not execute decisions taken by the cabinet but look at the effects of the decision taken. If they slack (in the decisions) then we can advise them," he said.

He said the proposal for the formation of a cabinet committee to monitor GLCs was because the PAC wanted the government to be more vigilant in tracking the performance of these companies.

Admitting that there were weaknesses in the present system of keeping GLCs in check, Shahrir said the drawbacks needed to be rectified as they involved public funds.

Commenting further on the briefing, he said various issues were discussed including the implementation of the New Economic Policy and employment for non-bumiputeras at GLCs.

"We also raised the issue of government companies which had been privatised but failed in their ventures... reviving these companies had required the government to fork out more money.

"We also enquired about government concessions given to private companies, which had been listed and since they are listed, foreigners can buy into these companies, gaining advantage of the government concession," he added.

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