

# RM11 billion rescue bill for 7 privatised projects

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**KUALA LUMPUR:** The government spent more than RM11 billion to rescue seven ailing privatised ventures over the past five years.

The takeover of the projects and companies, which include the Sistem Pengangkutan Laju Ringan (STAR-LRT), Aliran Laju Ringan PUTRA (Putra) and Malaysia Airline System (MAS), cost a total of RM11.022 billion.

Deputy Minister in the Prime Minister's Department Senator Datuk Abdul Rahman Suliman told the Dewan Rakyat that the bailouts were conducted from 2001 onwards.

The other four projects are: the Seremban-Port Dickson Highway, the new Kuching Prison, the National Sewerage System and the Unit Kajian Makanan dan Gunaan Orang Islam (the halal certification facility privatised to Ilham Daya Sdn Bhd).

Of the seven bailouts, the most expensive was the Putra transport system, which cost RM4.486 billion.

The STAR-LRT and MAS bailouts cost RM3.256 billion and RM2.802 billion respectively.

The takeover of the National Sewerage System cost RM192.54 million, followed by the Seremban-Port Dickson Highway (RM142 million), the Kuching Prison (RM135 million) and the Unit Kajian Makanan dan Gunaan Orang Islam (RM8.3 million).

"The STAR-LRT and PUTRA projects were taken over by Syarikat Prasarana Negara Berhad while the National Sewerage System was taken over by way of the Ministry of Finance Incorporated," Abdul Rahman said

in reply to a supplementary question by Datuk Ismail Sabri Yaakob (BN-Bera) yesterday.

He said 490 projects were privatised from 1983 to 2005, but only a "small number" warranted the bailouts.

"The failed privatisations were either due to management or fi-

nancial problems. If the companies faced management problems, the government would take over the company's entire equity."

To another supplementary question by Lau Yeng Peng (BN-Puchong), Abdul Rahman said the government wanted to make sure that all public projects

were financially sound.

"Even under the private finance initiative, the private sector must show that the projects are viable before submitting their proposals.

"We want to ascertain right from the start whether or not the project will be a success."