

ANAK says Felda will face RM1.5b annual deficit under listing plans
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By Shannon Teoh

KUALA LUMPUR, Jan 26 — The National Felda Settlers' Children's Association (ANAK) said today the federal land development programme will be saddled with annual losses of over RM1.5 billion if plans to list Felda Global Ventures (FGV) go ahead.

The association said the lease agreement between Felda and FGV will see the listed company paying RM251 million in rental for the 880,000-hectare plantation landbank and also 15 per cent of profits from its oil palm plantations, which will amount to RM257 million at the projected price of RM2,900 per tonne of oil palm fruits.

"With Felda's expenditure amounting to RM2 billion last year, and wages alone amounting to RM500 million, how will it be able to cover its costs?"

"In the end, the government will have to cover this, meaning taxpayers' money of at least RM1.5 billion," ANAK president Mazlan Aliman (picture) told reporters.

The group has strenuously opposed the plan which will see FGV take over the 51 per cent stake owned by more than 200,000 smallholders in Felda Holdings, which made RM760 million in 2010.

According to ANAK, settlers, through the Felda Investment Co-operative (KPF), will be given a 35 per cent share of FGV, whose international subsidiaries reportedly lost RM500 million up to 2010.

Mazlan also said there has been no guarantee from the government over how the shortfall will be covered with Deputy Minister in the Prime Minister's Department Datuk Ahmad Maslan only promising verbally that Felda will have enough income.

"Why should Felda rely on the government when it has been able to find its own income? Then what is the point of starting Felda? This is contrary to the objective of making settlers independent," he said.

He also said that under the agreement, FGV would gain all decision-making power over Felda but "if the business fails, there is no penalty except that they hand over the land back to Felda."

"This means they can wash their hands clean without any punishment," the PAS central committee member said.

Prime Minister Datuk Seri Najib Razak had recently said the listing of FGV, announced in Budget 2012, is expected to take place in April, instead of the middle of the year as earlier planned.

But Mazlan said mentris besar in the three Pakatan Rakyat (PR) states — Kedah, Selangor and Kelantan — have indicated to ANAK they will not sign the agreement, which must be

agreed to by all state governments.

The government has said the move will result in a RM5.9 billion lump sum payment to settlers but ANAK has insisted it will not be in cash but shares in FGV.

FGV subsidiaries such as Felda Iffco Sdn Bhd, Felda Global Technologies, Felda Global Ventures Middle East and Felda Global Ventures Arabia are reported to have chalked up accumulated losses of around RM500 million up to last year.

The profitable Felda Holdings has a workforce of some 19,000 employees, with a labour force of 46,795 workers at 300 estates, 70 palm oil mills, seven refineries, four kernel-crushing plants, 13 rubber factories, manufacturing plants and several logistic and bulking installations spread throughout Malaysia and several locations overseas.

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