

**'Ali Baba' culture thriving despite PM's economic reform policy, says Pua**  
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KUALA LUMPUR, Aug 7 — Rent-seeking, patronage and cronyism practices continue to thrive in Malaysia as proven by Putrajaya's controversial decision to award a RM1 billion rail expansion contract to the George Kent engineering consortium that has reportedly farmed out 80 per cent of the job, the DAP's Tony Pua said today.

The opposition federal lawmaker said he was stunned at how the prime minister could rave about his economic and government reform policies despite lucrative government projects being dished out to "cronies" of the ruling Barisan Nasional (BN) coalition.

"We are completely aghast at how Datuk Seri Najib Razak can continue to talk about the 'New Economic Model' and 'Economic Transformation' when Barisan Nasional cronies continue to win lucrative government tenders via rent-seeking and patronage, and not because of competency, quality and price competitiveness.

"The award shows that Ali Baba-like contractors who survive on their political connections as well as their expert navigation of the government procurement processes continue to dominate in Malaysia," Pua (picture) said in a statement.

Najib had announced the New Economic Model (NEM) policy in March 2010, to replace the decades-old New Economic Policy (NEP) introduced by his father and second prime minister Tun Razak Hussein, in a bid to overhaul government practices that were seen as lopsided and unfavourable to non-Bumiputera Malays as contracts were often awarded in a less-than-transparent manner and to close associates of those in power. Such practices have been branded "Ali Baba" culture by the opposition and other critics.

The award of the lucrative Ampang LRT extension project to the George Kent consortium last week has come under heavy fire following claims of political interference in the tender process, as alleged by PKR strategy director Rafizi Ramli.

Pua referred to the latest report by a financial paper, The Edge Business and Financial Weekly, that had last weekend highlighted George Kent as having subcontracted out 80 per cent of the works for light rail transit (LRT) expansion project on the Ampang line.

The weekly reported anonymous industry sources as saying that subcontracting more than 30 per cent of the specialised work package was questionable as George Kent should have been originally selected for specific technical capabilities.

George Kent's expertise is noted to be in the manufacture and supply of "control instrumentation, telemetry, pipes, valves and fittings, industrial and domestic water meters, boilers", as well as "fibre glass reinforced polyester (FRP) panel tanks for bulk water storage".

"But the industry feedback on the award as reported by the latest issue of The Edge is most damning on the integrity and credibility of the high-power Ministry of Finance committee headed by Datuk Seri Najib Razak himself," said Pua, the DAP publicity chief.

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