

'Mysterious privatisation' of Penang Port queried
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By Malaysiakini

Chief Minister Lim Guan Eng has questioned the "mysterious privatisation" of Penang Port, claiming it was done under a restricted tender.

Lim said this raises serious questions of public interest, accountability and transparency of the privatisation process.

Lim was referring to a revelation in a written answer to his parliamentary question by Minister in the Prime Minister's Department Abdul Wahid Omar that the agreement between the successful bidder Seaport Terminal (Johore) Sdn Bhd was finalised in a supplemental agreement on Nov 23, last year.

"Unless a full public announcement is made by the Transport Ministry, this privatisation will be seen as just another privatisation exercise similar to the highway toll concessionaires," the Bagan MP said in a statement today.

"The refusal of the Transport Ministry so far to make any public clarification of how this privatisation exercise benefits public interest smacks of arrogance, secretiveness and mismanagement which is steeped in the BN ethos of reciprocal favours, patronage and conspiracy," he added.

In his query to Parliament on Mar 24, Lim asked why was there no announcement on the takeover operation of the Penang Port by Johor Seaport Terminal in January this year.

Nor was there any information about the cost of the operation, the length of time, amount of investment, and if there were any condition to hasten the RM353 million and 15m-deep seabed dredging project.

Abdul Wahid said in a written reply that Johor Seaport Terminal won the bid over four other companies to privatise the Penang Port in a restricted tender process.

The technical and financial abilities of the companies had been evaluated by the Technical and Financial Committee which was represented by ministry officials and several agencies, the minister added.

Abdul Wahid said the terms of conditions had been finalised and the Supplemental Agreement inked on Nov 23 by the Transport Ministry, Penang Port and Johor Seaport Terminal.

"Some of the company's social obligations include providing ferry facilities which are costly, where it has to take over the port's annual losses of about RM16 million," Abdul Wahid said.

"The company will also be taking over operator Penang Port Sdn Bhd's (PPSB) financial burden of more than RM1.2 billion, pay for capital dredging cost (dredging of seabed from 11.5m to 14.5m) and provide capital injection to develop the area surrounding the port," the senator had said in his reply.

So far the company had made good its payment in cash to the federal government for equity ownership of PPSB on Nov 19, where the process of transfer of shares is currently being done by the Finance Ministry, Abdul Wahid added.

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