

1 September 2009 (Tuesday)

Oil palm empties can give Sabah fuel to spare

By Julia Chan

KOTA KINABALU: Sabah is one of the country's biggest producers of palm oil, yet only four per cent of the state's power is generated by biomass. In the discussions on the state's power shortage, little attention has been paid to the possibility of using oil palm waste to fuel biomass power plants. Only three plants in the state generate power from oil palm's empty fruit bunches (EFB). Several large oil palm companies utilise the EFB to power their plants.

Donald Lim, the chief operations officer of Seguntor Bioenergy Sdn Bhd and Kina Biopower Sdn Bhd which operate two of the plants, cited high investment and a shortage of EFB as obstacles. "Banks often do not support biomass plants, despite backing for renewable energy from the state government. "If it were not for carbon credits, such a business would not be viable here." Both the plants, in Sandakan, produce 10MW of power each for Sabah Electricity Sdn Bhd's east coast grid. "We started out with a simple idea of producing green energy, but we are now experts in water treatment and waste management as well," Lim said.

Logistics are also part of the problem as plantations which supply EFB at RM3 per tonne are located all over the east coast. Transporting them incurs costs and produces more emissions from the diesel engines used by the vehicles. "But if we don't collect the EFB, they are left in dumps which produce the greenhouse gas methane and can pollute the water." "While we love the idea of producing a renewable energy using waste products, we need a lot of support to do so. "We would like to build more green plants in Lahad Datu and Tawau, which are also major oil palm plantation areas. "The plantations around a 150km radius of our power plants produce 3,400 tonnes of EFB. Some are used by refineries to power their plants, while the rest is shared by our two plants."

3 September 2009 (Thursday)

PAC: Port flouted basic rules of management

By V. Vasudevan

KUALA LUMPUR: The Port Klang Authority did not follow some of the basic management principles of big projects with regard to the Port Klang Free Zone. The Public Accounts Committee was stunned to learn of this during an almost five- hour grilling of former PKA

general manager Datin Paduka O.C. Phang on the project yesterday. Its chairman, Datuk Seri Azmi Khalid, said anyone with a basic knowledge of business would know that there should have been a projection of income and expenditure. "We have to have a budget and also cash flow projection. You make projections of the best estimates you can make of your cash expenditure and income. From there we monitor the project.

"If there is no projection of income and cash flow, we don't know where is the mistake. This is a glaring weakness that we found. Even if you want to start a small business, you must have this," said Azmi. He said the PKA management did not have these in place and made no mention of it. "Basically, they did not have a cash flow projection for a project of that size," he said after chairing the PAC meeting on the PKFZ at Parliament House. During the questioning of Phang, he said that she had at one point momentarily stumped PAC members when she disclosed that she did not know what the committee meant by "cash flow projections".

Generally, Azmi said, the PKA team led by Phang had poor management skills. He said Phang had answered most of the questions but in some instances she claimed she could not remember. "We will highlight some of the things she did not want to disclose to us in our report," he said, but declined to be drawn into it further. Azmi noted that while the project was completed fast, the financial management was weak. "That is why we found there is a drastic cost escalation that is a problem and is now a big issue for the government."

Azmi reiterated what the PAC had been saying over the last few weeks that the representatives from the government did not represent the government as they ought to. Asked if Phang should bear the responsibility, Azmi said: "She admits that as the general manager she is responsible. Whether it is right or wrong is another story." Phang refused to answer any questions by reporters after the meeting. PAC will interview former PKA chairmen Tan Sri Dr Ting Chew Peh and Datuk Yap Pian Hon today.

4 September 2009 (Friday)

Ong spends 3 hours at MACC

PUTRAJAYA: Transport Minister Datuk Seri Ong Tee Keat was questioned yesterday by the Malaysian Anti-Corruption Commission in connection with the Port Klang Free Zone controversy. He spent more than three hours at the MACC headquarters here. The PKFZ project caught the nation's attention when it was uncovered that its development cost had skyrocketed from RM2.5 billion to RM4.6 billion. "I am here for an appointment with MACC regarding PKFZ, and also to answer the allegations thrown at me by the Kuala Dimensi CEO (chief executive officer Datuk Seri Tiong King Sing)," Ong said.

Ong walked into the MACC building accompanied by his bodyguard and political secretary, Simon Lim, at 10am and came out at 1.15pm. He said the MACC officers had asked him about the background and the chronology of events leading to the debacle. Ong said he

might return to the MACC today or tomorrow to give additional information. Port Klang Authority (PKA) chairman Datuk Lee Hwa Beng had earlier lodged a report with the police and the MACC against Kuala Dimensi, the turnkey contractor for the PKFZ, alleging billing discrepancies of between RM500 million and RM1 billion. Tiong subsequently claimed that he had made a RM10 million donation to the MCA through Ong, who is the party president, in 2007. Ong had denied the allegation and lodged a report against Tiong as well as suing him for RM500 million.

4 September 2009 (Friday)

PAC: Major decisions not conveyed to PKA directors

By V. Vasudevan

KUALA LUMPUR: Despite being told by the Port Klang Authority board of directors to inform it of major decisions before implementing or executing them, the management had ignored the order and did as it pleased. The Public Accounts Committee was told this yesterday by former PKA chairman Datuk Yap Pian Hon when interviewed in connection with the troubled Port Klang Free Zone at Parliament House. Yap served as chairman from 2004 to early 2007.

PAC chairman Datuk Seri Azmi Khalid said Yap had stated that the board told the management during a meeting that it wanted major decisions on the PKFZ to be conveyed to it before implementation or payments for contracts were made. "However, this resulted in payments such as expenditure and contract claims running into the millions," said Azmi.

While he did not disclose who Yap had meant by management, it is understood that he was referring to its former general manager Datin Paduka O.C. Phang. However, Azmi said it could not be established if such a directive to inform the board of major decisions existed before Yap's time. "We don't know if these powers were delegated by the board earlier. Some powers may have been while others may have not been delegated," he said.

Yap said during his tenure as PKA chairman, board members representing the government were actively involved in the decisions made concerning the PKFZ. They had actively participated and had asked for information. In fact, on several occasions they had asked for additional details from the management but were not given them."

Azmi said the PAC had established that at least during Yap's tenure, the government representatives had been active in questioning decisions made by the management, unlike earlier board members. Yap said he told the PAC everything it had wanted to know and had made it clear that it was unfair to blame government officers on the board for some of the problems faced by the PKFZ. "All the government representatives were active participants. "Nobody was a passenger."

Yap said board members and he were doing national service as they were only paid a small allowance and not a huge sum as speculated. "I received RM2,259.95 in allowance while other members received RM500." The PAC yesterday also interviewed Tan Sri Dr Ting Chew Peh, who was the PKA chairman from 2001 to 2004. Ting told reporters after the session that he gave an overview of the PKA board and what it had strived to do. "The PKA board wanted Port Klang to be among the top 10 ports in the world and had focused on this. "We made it to the 11th spot, but now it is nowhere near that," he said. With yesterday's meeting, the PAC has completed its investigation into the PKFZ fiasco. It will table its report in Parliament at its sitting next month.

4 September 2009 (Friday)

Ong gives statement for second day straight

PUTRAJAYA: MCA president Datuk Seri Ong Tee Keat returned to the Malaysian Anti-Corruption Commission's headquarters for the second consecutive day yesterday for his statement to be taken on the Port Klang Free Zone issue. He also gave his statement to the MACC investigating officer on the RM10 million donation allegation hurled against him by Kuala Dimensi Sdn Bhd chief executive officer Datuk Seri Tiong King Sing. On Thursday, he was questioned for about two hours. Ong, who is also transport minister, was alone and looked composed when he emerged from the building about 11.30am. He said there was no necessity for him to be accompanied by lawyers. "I am here to provide the MACC with information and facts. Lawyers are not needed because this is not a court."

Ong said he had asked for the interview to be done in two sessions as he had to go to Kelantan to meet MCA grassroots and leaders on Thursday. Ong also said he had made good his promise to go to the MACC with the hope that it could put an end to the controversies. "And if I am still needed (to give statement), I am ever ready to do so. I will extend my fullest cooperation to the MACC so that the truth will prevail."

5 September 2009 (Saturday)

Police freeze Kuala Dimensi assets

KUALA LUMPUR: Police have frozen several bank accounts of Kuala Dimensi Sdn Bhd (KDSB), pending investigations into the Port Klang Free Zone (PKFZ) project. KDSB is the turnkey contractor of the controversial project. Both Inspector-General of Police Tan Sri Musa Hassan and KDSB deputy chief executive officer Datuk Faizal Abdullah confirmed the matter. Musa said the KDSB accounts were deemed crucial in assisting police investigations. "We conducted our investigations based on a report lodged against the company. As a result, the accounts were frozen,"

Musa told reporters after handing out Hari Raya Aidilfitri cookie hampers and RM1,000 cash each to 10 widows of policemen at the Holiday Villa in Subang yesterday. It is learnt that the accounts, with more than RM140 million, were frozen on Thursday. Musa had briefed Prime Minister Datuk Seri Najib Razak on the matter yesterday. Najib was also briefed for about an hour by a special task force on PKFZ yesterday, during which Transport Minister Datuk Seri Ong Tee Keat was also present.

The task force is headed by senior lawyer Vinayak Pradhan from legal firm Skrine & Co and is assisted by Skrine partner Lim Chee Wee, PricewaterhouseCoopers Advisory Services (PwCAS) managing director Chin Kwai Fatt and PwCAS senior executive director Lim San Peen. Earlier reports quoted Port Klang Authority chairman Datuk Lee Hwa Beng as saying that there was possible conspiracy among five parties over the PKFZ scandal and that various parties had made disputed claims amounting to about RM1.5 billion from the project.

He had named the five as Kuala Dimensi Sdn Bhd, its chief executive officer Datuk Seri Tiong King Sing, former Port Klang Authority general manager Datin Paduka OC Phang, BTA Architect and the consultant for development work Bernard Tan Seng Swee. Meanwhile, Faizal said the company regarded the police move "as part of the investigation process and we are giving our fullest cooperation to the police". He said KDSB was taking advice on the legality of the freezing orders. PKFZ, a transshipment hub built on a 405ha site in Port Klang, was embroiled in controversy after it was revealed that the development cost had escalated from RM2.5 billion to RM4.6 billion.

6 September 2009 (Sunday)

PKFZ: Cabinet to decide next course of action

By B. Suresh Ram

KUALA LUMPUR: The cabinet will discuss the ramifications of the controversy-riddled Port Klang Free Zone (PKFZ) project at its weekly meeting on Wednesday. Prime Minister Datuk Seri Najib Razak said the task force on the PKFZ and the police had briefed him on their findings. Najib, in turn, will brief the cabinet. Speaking to reporters here yesterday after a walkabout to check the condition of the Public Works Department quarters in Jalan Cheras, he said the cabinet would discuss the next course of action based on the reports. Najib, who is also finance minister, said several agencies were investigating the PKFZ project. On Friday, Inspector-General of Police Tan Sri Musa Hassan and task force briefed Najib. Transport Minister Datuk Seri Ong Tee Keat was also present. The task force is headed by senior lawyer Vinayak Pradhan from legal firm Skrine & Co. The PKFZ issue erupted when it was revealed that the development cost of the transshipment hub had escalated from RM2.5 billion to RM4.6 billion.

8 September 2009 (Tuesday)

Race to finish projects

KOTA KINABALU: Sabah is racing against time to complete all projects approved for implementation under the Ninth Malaysia Plan which ends in 16 months. Chief Minister Datuk Seri Musa Aman said of the RM19.45 billion allocation approved under the development plan only RM11.67 billion or 60 per cent has so far been spent. "I have instructed the relevant ministries, departments and agencies to make sure that the remaining 40 per cent allocation is fully utilised by completing all the projects approved under the plan."

Confident of spending the 40 per cent unutilised allocation, Musa, who is also state finance minister, said many of the projects were in various stages of completion. A total of 1,380 projects approved under the Ninth Malaysia Plan had been fully completed. Musa also noted that only RM275 million or 16.17 per cent of the RM1.70 billion allocated for projects under the Private Funding Initiative had so far been spent.

8 September 2009 (Tuesday)

Irrigation plan for Mada areas

JITRA: A study is being conducted to restore the irrigation system of padi-growing areas under the Muda Agriculture Development Authority (Mada), Deputy Agriculture and Agro-Based Industry Minister Datuk Johari Baharom said. He said the study by Mada had entered the final phase and would then be studied by the Economic Planning Unit before cabinet approval. "Restoration of the irrigation system will be implemented under the 10th Malaysia Plan and will make the country self-sufficient in rice."

Kedah Farmers Organisation Authority will prepare a working paper on restoring the irrigation system of areas outside Mada and in making the biannual padi-planting scheme a success. Johari said the low-padi production was due to the poor irrigation system as water could not reach all areas under Mada while areas outside Mada depended on rainfall. "We hope to increase padi production in Mada areas to more than 10 tonnes per hectare."

8 September 2009 (Tuesday)

Fishermen: River mouth can be deadly

KEPALA BATAS: More than 1,000 fisherman fear the mouth of Sungai Muda could become a death trap, and they want the government to dredge it. The fishermen of Kuala Muda near Penaga say a flood-mitigation project has led to silting of the river mouth, causing their boats to capsize in high waves. They cited Saturday's drowning of 24-year-old engineer Nor Azhar Ramli, who was thrown overboard by high waves while on a fishing trip. The problem has also affected fishermen of Bakau Tua, Pulau Mertajam, Kampung Tepi Sungai, Sungai Derhaka and Kota Kuala Muda in Kedah over the past three years. Kuala Muda Fishermen's Association deputy chairman Rosli Ariffin said four fishermen had died when their boats capsized in high waves two years ago. He said more than 500 vessels sailed daily through the river mouth out to sea.