



Friday December 19, 2008

Ong to announce chronology of events on PKFZ issue

SHAH ALAM: Transport Minister Datuk Seri Ong Tee Keat will announce tomorrow the chronology of events in the Port Klang Free Zone issue. Ong said he meant to keep his promise that the findings from the probe would be made public.

“PricewaterhouseCoopers is still fine-tuning its report on the financial aspects involving PKFZ as there are some formalities it needs to look through before concluding the report,” he said at a press conference after witnessing the signing of a memorandum of understanding (MoU) between Sirim Bhd and EGR Tech Sdn Bhd for the testing of and certifying a hydrogen production system for internal combustion engines.

Ong said the international auditing firm would submit its report to the Port Klang Authority after the fine-tuning. The Port Klang Authority decided in its board meeting in May this year to hire the PricewaterhouseCoopers to conduct an independent overall audit on the accounts of the free zone.

A credible auditing firm’s findings would help strengthen the Government and the port authority’s explanations on the funds and the project, especially since there were many negative perceptions on how the RM4.6bil soft loan from the Federal Government had been used by the port authority.

On the MCA’s preparations for the Kuala Terengganu parliamentary by-election, Ong said the Terengganu state MCA was all geared up for action. Ong, who is also the MCA president, said the state MCA had been told to start assessing issues in the area, look into ways to gain support and get the party election machinery ready for action when the campaign gets into full swing in about two weeks. Asked about the RM100mil legal suit by the concessionaire of the e-Kesihatan medical programme for allegedly commenting on the monopolistic structure of the programme, Ong said: “We have asked the Transport Ministry’s legal adviser to look into it.”

Sunday December 21, 2008

Report: PKFZ has grown, despite bumps

By ROYCE CHEAH

KLANG: The [Port Klang Free Zone](#) (PKFZ) has shown improvement in terms of the number of investments, jobs provided and total cargo moved. According to statistics released together with the PKFZ chronology report Sunday, the free trade zone has shown a 30% increase in proposed investments over the past six months from RM720mil to RM916mil.

This figure is derived from an increase of 18 clients from 40 to 58 and has led to greater rental revenues and the creation of 687 more jobs. As for total cargo moved, there was a growth of 6,668 20ft equivalent units (TEUs) and an increase of about 227,000 freight weight tonne over the past six months.

Transport Minister Datuk Seri Ong Tee Keat, who fielded questions about the chronology, said it was in this context that allegations of the RM4.6bil soft loan for PKFZ being wasted were off-target. "Whether or not the project was handled professionally, cost-effective or exorbitant, that is what I've been harping on and it is what will appear in the PriceWaterhouseCoopers (PWC) report," Ong said.

PWC had been appointed by PKA in October to audit the PKFZ project. Ong said people sometimes hit on the wrong target and that the argument that all the money was given out without any returns being realised was inaccurate. "Collection of rentals for the leasing of buildings obviously gives returns. However, the cost of the interest is indeed a big burden to the government," he said.

PKA general manager and chief executive officer Lim Thean Shiang said the RM4.6bil was given in intervals of 10, 15 and 20 years. When asked to clarify that the amount of interest being paid would be in the range of RM1.3bil, Lim said it was adding that the interest rate was 4% per annum over 15 years.

Lim was also asked why events surrounding the entry and exit Jebel Ali Free Zone in the PKFZ project was not included in the chronology. To this, Ong said it would be in the PWC report as it fell into the area of project governance.

Lim also clarified that Jebel Ali and PKA had terminated their agreement mutually after both parties realised that Malaysian policies would not allow Jebel Ali to manage PKFZ the way it wanted to.

Monday December 22, 2008

Ong: Port Klang Free Zone still viable

By ROYCE CHEAH

KLANG: The Port Klang Free Zone (PKFZ) has shown improvement in terms of the number of investments, jobs provided and total cargo moved. According to statistics released together with the PKFZ chronology yesterday, the zone has shown a 30% increase in proposed investments over the past six months from RM720mil to RM916mil.

This figure is derived from an increase of 18 clients from 40 to 58 and has led to greater rental revenue and the creation of 687 more jobs. "I can still remember when I first set foot in the area. People said this was a ghost town," Transport Minister Datuk Seri Ong Tee Keat said

during a press conference here yesterday. As for the total cargo moved, there was a growth of 6,668 TEUs (container units) and an increase of about 227,000 freight weight tonnes over the past six months.



Good prospects: Ong explaining why the Port Klang Free Zone (below) is very much relevant during a press conference in Klang Sunday.

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Lim also clarified that Jebel Ali and PKA had terminated their agreement mutually after both parties realised that Malaysian policies would not allow Jebel Ali to manage PKFZ the way it wanted to. The PKFZ was set-up in a joint venture with Dubai-based Jebel Ali Free Zone International (Jafza).

Monday December 22, 2008

Government had to pay a higher price for land

KLANG: The Government was not able to acquire land for the Port Klang Free Zone (PKFZ) at a cheaper price because a development order had already been issued on the land. As a result, the 404ha piece of land had to be bought at RM25 psf with infrastructure as opposed to RM10.16 psf for barren land from Kuala Dimensi Sdn Bhd (KDSB).

In the chronology of the PKFZ development released yesterday, the Finance Ministry said it had instructed the Port Klang Authority (PKA) and Transport Ministry to acquire the land using the Land Acquisition Act as the initial offer of RM25psf was too high. However, the Selangor state government rejected in Aug 2001 the application to acquire the land because of an existing development order issued to KDSB in 1997.

The valuation in both instances was done by the Valuation and Property Services Department. The infrastructure to be built by KDSB, according to the chronology, consisted of land filling works, building drains, roads, bridges, pipes and providing water supply. KDSB's first proposal to the state government was in Jan 1999, for a price of RM28psf (with infrastructure). The government had agreed then that the land was needed to further improve Port Klang.

Negotiations continued until November 2002 when the Finance Ministry gave the go-ahead to the Transport Ministry to buy the land at RM25psf. The total amount paid by the PKA to KDSB for the land eventually amounted to RM1.088bil, to be paid over 15 years. A letter supporting the project was issued later by the then Transport minister Datuk Seri (now Tun) Dr Ling Liong Sik to Malaysian International Merchant Bankers Bhd and Pacific Trustees Bhd confirming the land purchase.

Former Transport Minister Datuk Seri (now Tan Sri) Chan Kong Choy also issued three supporting letters to the Malaysian Rating Corporation Bhd at each stage where PKA signed agreements with KDSB. These agreements were for KDSB to develop PKFZ and amounted to RM2.25bil. When asked about these letters, PKA general manager and chief executive officer Lim Thean Shiang, who had seen the letters said one of the clauses in the letters said that it was "explicitly or implicitly not a guarantee letter."

The last entry of the 22 point chronology was that PKA has since paid RM1.378bil to KDSB for the PKFZ project.

Monday December 22, 2008

15 housing estates in Ampang and Pandan face possible landslides

KUALA LUMPUR: It's not just Bukit Antarabangsa that has to live in fear of landslides. Fourteen other housing estates in the Ampang and Pandan areas have been identified to be at risk of landslides, too.

Selangor Mentri Besar Tan Sri Khalid Ibrahim, who revealed this yesterday, said local authorities for those housing estates would continuously monitor the areas.

The Selangor state government also announced several measures to help the victims of the Bukit Antarabangsa. They include:

- Discounts on rental or the purchase price of Selangor State Development Corporation houses for those whose houses were completely destroyed in the recent landslide,
- RM1,000 rental assistance for families that cannot return to their homes because they have been declared unsafe,
- Families who lost their loved ones will get RM5,000 while those injured will get RM1,500.

Tuesday December 23, 2008

Engineer: Inform owners in risky areas

KUALA LUMPUR: Owners of houses in the 15 areas that are deemed to be prone to landslides should be given more details on their situation, said geotechnical engineer Dr Gue See Sew. "Owners should look at the announcement with concern. They should ask what options they have now that their housing areas are considered risky. "It is a reasonable demand," he said.

Dr Gue was asked to comment on Selangor Mentri Besar Tan Sri Khalid Ibrahim statement identifying the 15 hillside areas, including Bukit Antarabangsa, in the Ampang and Pandan constituencies as facing the risk of landslides. Khalid said the areas would come under continuous monitoring by local authorities.

Dr Gue said the residents should also ask the basis upon which the government deemed the areas to be risky. He, however, declined to comment on the situation as he did not know the details and had not been involved in the assessment. "It would not be fair for me to comment. I am sure the relevant agencies have done their work," he said.

Meanwhile, the Real Estate and Housing Developers' Association said the government's assistance to the victims of the landslide sounded more like a business plan than aid. Its

president Datuk Ng Seing Liong said that instead of offering discounts for state-owned projects, it should have given compensation to the families who lived in the 14 houses completely destroyed by the landslide.

“The government can still pay the families ex-gratia without claiming responsibility,” said Ng. He said the authorities should stop blaming developers on landslide tragedies as “it takes two to tango”. “Yes, developers do the projects, but developers can’t do it without approval from local authorities,” he said.

Ng also described Khalid’s naming of 15 hillsides at risk of landslide as vague. “Please specify the places because this will only create unnecessary worry,” he said. On whether the value of property in the areas would fall, Ng said it was still too early to say because it all depended on demand and supply.

Tuesday December 23, 2008

MB: 15 housing estates highly prone to landslides

PETALING JAYA: The Selangor government listed 15 housing estates as high risk for landslides due to their location around Bukit Antarabangsa, said Mentri Besar Tan Sri Khalid Ibrahim. However, he said it did not mean that people were not supposed to stay at their hillside homes.

“All those staying on hillsides will have to face the consequences but those in Bukit Antarabangsa and surrounding areas are in more danger than others. “It is not my intention to cause fear among residents but I am just stating it as a matter of fact,” he said.

He said the risk was always there and it required thorough monitoring from the authorities to prevent tragedies if there were to be any landslides in such areas. “There should be close monitoring and scrutiny on the condition and movement of the soil and the people should be extra cautious if it rained heavily for many days,” he said, adding that residents could stay on at their homes as long as the precautionary measures are taken.

Khalid was speaking to reporters on the 15 landslide risk areas in the Ampang and Pandan constituencies after closing a state level anti-graft seminar held at the Civic Hall here yesterday when asked. He also urged the 286 families who were victims of the landslide at Bukit Antarabangsa to follow instructions by the Public Works Department, adding that the department had placed sensors at high risk areas for 24-hour monitoring.

“Except for the 81 families, it was safe for the rest to return home as advised by the department. “The department is in the best position to advise the residents and I can say that they based their judgement on technical monitoring and physical inspection,” he added.

Tuesday December 23, 2008

Pulau Tuba's jetty sinks

LANGKAWI: The jetty at Pulau Tuba here collapsed on Sunday leaving only its roof and a pole that was used to tie a pontoon standing. The jetty was used by the villagers to travel and transport goods to the main island. Luckily, the villagers can make use of two other jetties nearby.

Pulau Tuba Federal Village Development and Security Committee (JKKP) chairman Mansur Sulaiman said boat operators felt the eight-year-old jetty "swaying" and moved all the boats and people to safety. "Thank God no lives were lost," he said, adding that the jetty was built at a cost of RM9mil.



On way down: A view of the jetty at Pulau Tuba showing the structure sinking in this picture taken Monday.-Bernama

Mansur noted that the JKKP had complained to the authorities about the jetty's safety. He said water had to be pumped out of the pontoon regularly and this job was neglected. Langkawi assemblyman Datuk Abu Bakar Taib said he was disappointed that all the money spent on building the jetty had gone to waste. He said a temporary jetty should be built for the villagers. "Now all the other jetties including Kuah jetty – which is Langkawi's main jetty, must be maintained and monitored to prevent a similar incident from occurring," he said.

Wednesday December 24, 2008

Oil palm planters may get cess respite from Govt

By HANIM ADNAN

KUALA LUMPUR: The Government is considering a reduction in the Malaysian Palm Oil Board cess payment or even suspend it for a certain period to assist planters in dire straits. Primary Industries and Commodities Minister Datuk Peter Chin Fah Kui said the Government was willing

to look into these options if there was justification that “the cess is truly burdening local planters” given the sharp fall in crude palm oil (CPO) prices.

“I am a reasonable minister. Give me the breakdown on the planters’ respective cost of production and at which CPO price level would these planters hit rock bottom. If necessary, we will audit them,” he told *StarBiz* in an interview. Based on annual CPO production at 18 million tonnes and palm kernel production at two million tonnes, the total cess collection is estimated at RM220mil.

Local oil palm planters have been paying about RM11 per tonne in MPOB cess (*see table for breakdown*). They also had to pay an additional cess of RM4 per tonne for the Palm Oil Price Stabilisation Fund.


MPOB’s revenue was mainly from cess collection (research and development and licensing enforcement) of RM9 per tonne of palm oil and palm kernel oil produced at the mills and crushers. Chin, however, said: “To do away with the MPOB cess is like asking us to do away with MPOB, the central body, which takes care of the well-being of the local palm oil industry.”

Citing an example, he said a reduction of 13.3% in MPOB cess provided only about 40 sen savings for every tonne of fresh fruit bunches (FFB) produced.

This would mean the cess of RM11 per tonne of CPO will be reduced to RM9 per tonne while in FFB terms, the cess will be reduced from RM2.20 per tonne to RM1.80 per tonne.

MPOB cess collection		
Activity	Cess/tonne	Purpose
R&D	RM7.00	For MPOB activities
Licensing, enforcement and other services	RM2.00	
Palm oil promotion	RM2.00	For palm oil promotion by MPOC
Palm oil price stabilisation	RM4.00	For stabilising palm oil prices
Cooking oil subsidy scheme (COSS)	Average = RM31.83/ month/ tonne FFB equivalent to RM159.15/tonne of CPO	For stabilising cooking oil for household, cess varies depending on the price of CPO/ FFB

Note: MPOB - Malaysian Palm Oil Board
MPOC - Malaysian Palm Oil Council



However, Chin said, there was an imposition of a sales tax of 7.5% in Sabah and 5% in Sarawak.

In fact, a reduction of 13.3% in sales tax in Sabah, for example, would provide a higher savings of RM3 for every tonne of FFB produced, he added.

Chin said the Government was looking at various avenues to mitigate the plight of oil palm planters, especially smallholders, due to the weak CPO prices and excess palm oil inventory at 2.3 million tonnes. "We have counteracted immediately by allocating RM200mil for replanting activities and RM200mil for biofuel initiatives," he added.

Chin said the Government's early intervention had stabilised the CPO prices at RM1,500 to RM1,600 per tonne currently.

Thursday December 25, 2008

RM190,000 flood mitigation project to deepen drainage in Taman Kingdom, Kubang Buaya

By SIMON KHOO

KUANTAN: Floods affecting residents in Tok Sira, Kubang Buaya, Alor Akar and parts of Semambu will soon be a thing in the past.

Teruntum assemblyman Chang Hong Seong said a RM190,000 flood mitigation project funded by the local council to deepen the drainage in Taman Kingdom, Kubang Buaya near here was near completion.



Work to start soon: Chang (third from left) and other officials looking at the project site in Taman Kingdom, Kubang Buaya recently.

"Besides deepening the drainage, flood waters will be diverted to other drains along Taman Gelora straight to the sea. "Presently, flood waters flow into Sungai Galing causing it to overflow during a heavy downpour resulting in flash floods," he said when met at the site recently.

Chang said with the completion of the project by early next year, he hoped residents in those areas would not be affected during downpour. Later, he visited a new public toilet constructed at Taman Kejiranan, Jalan Teluk Sisek. It was built at a cost of RM36,000 by the local council.

He said the project was completed and the contractor would hand over the keys to the local council before the facility is opened to the public. "This is another pledge that we have fulfilled

to the people during the general election. "We hope the facility will not be misused or vandalised for the benefit of the joggers and visitors to the park," he said.

On a separate matter, he said cancer-stricken victim Kuek Chaw Lian, 39, had died at the hospital recently. Early this year, Chang had initiated a donation drive to raise funds to assist his family. Kuek is survived by his widow Foong Yoke Kee, 40, and four children, aged between two and 16.

Chang said the state Welfare Department would be giving a monthly aid of RM400 to the family to support the family's expenses.

Tuesday December 30, 2008

Beware of cave-in danger along stretches of Gua Musang-Lojing road

GUA MUSANG: Police urged motorists to be careful when travelling along the Gua Musang-Lojing road due to several cave-ins. District chief Supt Ahmad Termizi Abd Haq said the affected stretches were at Km50, Km54, Km71.1, Km74, Km81 and Km83 which could be dangerous especially on a rainy day.



Partially closed: Barriers have been put up to block off a section of the Gua Musang-Lojing road at the 71st kilometre where the cave-in widened to 5m yesterday. — Bernama

At Km71.1, near the Royal Lojing Project, the road is partially closed to traffic since the cave-in on Dec 1. The cave-in there was 50m long and 2.5m wide from the road shoulder earlier, but as of yesterday, it had widened to 5m. Traffic from Lojing headed for Gua Musang had to be diverted to the opposite lane.

According to some workers who were camped there, repair works were on hold pending a report from the Public Works Institute of Malaysia (Ikram). Businessman Daud Che Amat, 65, who was heading for Cameron Highlands for a holiday, said traffic was not bad, but that he had to be careful along the danger stretches. "Earlier in the month, only one direction was affected," he said.

"Now it has spread to both lanes." — Bernama

Tuesday December 30, 2008

Smuggling of diesel on the rise again

RANTAU PANJANG: Diesel smuggling to Thailand is on the rise again after the latest reduction in fuel prices. The price of diesel in Malaysia is RM1.70 per liter, which is much lower than in Thailand where it is sold for RM2.20 per liter. A check by *The Star* here showed that there were a hive of activities at several entry points along the Sungai Golok border. Local trader Yamin Yusof, 57, claimed that smuggling activities had become rampant.

“All they have to do is take the diesel or carry it on a boat across the border to their waiting buyers. “It is easy money for smugglers and they do not have to follow any legal procedure when taking the fuel out,” said Yamin.

He claimed that smuggling activities have not stopped despite surveillance by the authorities. Yamin urged the authorities to put a lid on the activities as it would only put Malaysian taxpayers at the losing end.

“I am so upset with the local authorities for not doing more to put a stop to this. I am sure they can come up with something effective to overcome the problem. This has been happening for years now,” he said.

Fellow trader Mohd Saiful Idris, 43, said that based on simple calculations, smugglers made at least 50 sen for every litre they smuggle out. “This means they make at least RM5 for every 10 litres. I know they smuggle at least 100 to 500 litres daily,” he said.

The authorities have declined to comment.

Wednesday December 31, 2008

RM50mil for housing sector

BUKIT MERTAJAM: The Government will take pro-active measures to shore up confidence among buyers and developers to ensure the growth of the housing sector, Housing and Local Government Minister Datuk Seri Ong Ka Chuan said.

“Together with the Finance Ministry, we have prepared a stimulus package to make sure the industry will grow despite the economic uncertainties,” he said.

He was speaking to reporters after presenting a Proton Arena, which was converted into a mini fire-engine, to the Machang Bubok voluntary fire fighting squad association here yesterday.

Ong said the ministry with the assistance of Bank Negara had introduced a guaranteed credit scheme with a RM50mil fund for house buyers who could not provide documental evidence on their income, especially small and petty traders.

He said they could apply for loans from commercial banks and Bank Negara would become their guarantor to secure the finances. He said the ministry had also met with representatives of the Housing Developers Association to find ways to ensure growth in the industry.

“Among others, we have proposed a reduction in housing stamping duty, lower import duties on building materials and bank interest rates, and extended loan repayment periods for up to 30 years.”

He said they had also requested that state governments allocate land for the development of low and medium cost houses.

Ong said the ministry would also build 4,000 units of low-cost houses to be rented out or sold to poor people, including single mothers and handicapped people. “They can either rent the house at RM124 monthly or purchase them at RM35,000 each,” he said.