

Friday September 18, 2009

PM: Police to probe PKFZ Cabinet paper posted on the net

PUTRAJAYA: Prime Minister Datuk Seri Najib Tun Razak said the police will investigate the matter of the Cabinet paper on the Port Klang Free Zone (PKFZ) that was posted on the Internet as it (the Cabinet paper) came under the Official Secrets Act (OSA). He said such action was not to deny the people's right to information that should be available to them but that such exposure on the Internet was something that could not be accepted. "In the PKFZ case, whatever that we must tell the people, we will do so later but it cannot be accepted that the Cabinet paper is posted on the Internet.

"Any Cabinet paper is still under the OSA and police will investigate anyone who exposes Cabinet papers. "Lets wait for the investigation and what action can be taken based on the OSA," Najib told reporters after chairing a special meeting on the Permata Negara programme here Friday. Also present was his wife Datin Seri Rosmah Mansor. He said this when asked to comment on the Cabinet paper relating to the PKFZ that was posted on a web site. – Bernama.

Saturday September 19, 2009

Developer sued for RM720mil

PETALING JAYA: The Port Klang Authority (PKA) has filed a suit against turnkey developer Kuala Dimensi Sdn Bhd disputing the latter's imposition of interest in the Port Klang Free Zone (PKFZ) land purchase and for wrong computation of interest. Authority chairman Datuk Lee Hwa Beng said the total sum in dispute might amount to RM720mil. "PKA is seeking a declaration that the interest charged on the balance purchase price of the land purchase is wrongly imposed," he said in a statement on the PKA website (www.pkfznews.com.my) yesterday.

He said Kuala Dimensi had sold the land to PKA at RM1.088bil which was at the rate of RM25 per sq ft on a "special value" basis. The balance purchase price was to be paid by PKA on a deferred payment basis. "The special valuation of RM25 per sq ft had taken into consideration the interest element. Interest ought not to have been charged separately and/or in addition to the said RM25 per sq ft. Lee said PKA was, therefore, also seeking rectification of the computation of the schedule of payment of the balance purchase price to exclude interest, and a refund from Kuala Dimensi on the interest payment made by PKA thus far.

PKA contended that even if interest were to be allowed by the court, it was computed on the wrong basis and rectification of the schedule of payment of the balance purchase price would be needed. "PKA will also file other suits in relation to the fraudulent or wrongful or irregular claims, as well as make official complaints to the various professional bodies in relation to the conflict of interest and professional negligence of the consultants involved. "The legal action taken today and in the days to come have been approved by the PKA Board in its sitting on Aug 18, 2009," he said.

These actions, he added, were among the civil remedies which PKA would have to take pursuant to its legal rights. "The decision to take legal action was made before the setting up of the new taskforce chaired by the Chief Secretary to the Government and does not overlap with areas that the new task force is looking into," he said.

Monday September 21, 2009

Najib: Stimulus packages having positive impact on economy (Update)

KUALA LUMPUR: The government's two stimulus packages are on track and beginning to have a positive impact on the economy, said Prime Minister Datuk Seri Najib Tun Razak. The economic packages totalling RM67 billion, unveiled in November 2008 and March this year, have created jobs and income for small contractors, even for those in remote areas, Najib said in a statement Monday. The construction sector grew 2.8 percent in the second quarter, higher than the 1.1 per cent registered in the first quarter, he said giving an update on the results of the stimulus boost.

Najib also directed all ministries and agencies to implement and complete projects identified under the first RM6bil package this year. "To date, a total of 83,939 projects have been awarded, of which 53,076 projects valued at RM6.07bil under the first stimulus package and the remainder under the second package which is designed to cover a period of two years," he said. "This means that in 10 months, since the unveiling of the first package, 90 percent of projects identified have been awarded and are in various stages of implementation," he added.

Construction was one of the biggest beneficiaries among several sectors that were given fund injections because of their strong impact on economic growth. Najib said RM7.92bil had been paid out to contractors for the completion of 41,176 projects under the first and second stimulus packages that were launched to counter the global economic meltdown triggered by the international financial crisis which hit export economies badly. The finished projects included low-cost houses, infrastructure, schools, police stations and army quarters. Najib said, in keeping with the government's "people first " strategy, a total of 1,126 housing projects were built for the benefit of 5,630 households throughout the country.

The Prime Minister personally monitors closely every aspect of the stimulus packages on a weekly basis. "This hands-on approach is to ensure that the targets set out under the two stimulus packages are achieved," he said. The government has also allocated RM1bil for human capital development to maintain Malaysia's competitiveness and to enhance efficiency of the labour force, he added. Implementation of the stimulus packages is supervised by several agencies, key of which is the Project Management Unit (PMU) whose chief operating officer Datuk Mohamad Othman Zainal Azim reports directly to the Prime Minister.

A technical committee chaired by the Treasury secretary-general also reports to a steering committee chaired by Najib. Amid the global turmoil, the government identified projects designed for high impact and high multiplier effect to reinforce the economy and strengthen national resilience. Procedures were also streamlined to ensure speedy implementation. The public can keep abreast with the government's progress on the website www.rangsangeconomy.treasury.gov.my and make enquiries. - Bernama

Tuesday September 22, 2009

Probe to focus on how PKFZ papers were leaked

PUTRAJAYA: Investigations into the Internet posting of classified Cabinet papers on the Port Klang Free Zone (PKFZ) issue will focus more on how and where the leak occurred, said Home Minister Datuk Seri Hishammuddin Tun Hussein. Since the papers were classified, the person responsible for the leak would have to be someone on the inside and as such, would have to face action, he added. "I have told the police to conduct an all out investigation, and probe even ministers if they are suspected to be involved," he told reporters when met at the Hari Raya open house hosted by the Prime Minister and Cabinet ministers here on Sunday.

He added the act of leaking the papers was serious as it jeopardised the Government's decision on how to manage the country, and it was something that could not be tolerated. "The papers were leaked before they were even discussed in Cabinet. There is a possibility that they might not even have been discussed, but leaking the papers has compromised the Cabinet. "There is a reason why the Official Secrets Act was created. All those within the Government have a responsibility to respect the law and the confidentiality of the documents," said Hishammuddin. Prime Minister Datuk Seri Najib Tun Razak said on Thursday he had asked the police to investigate the Internet posting of Cabinet papers on the PKFZ.

Tuesday September 22, 2009

Kong: Probe Bukit Antarabangsa landslide

PUTRAJAYA: All relevant authorities have been instructed to immediately inspect the Bukit Antarabangsa area where a minor landslide occurred on Saturday. Housing and Local Government Minister Datuk Seri Kong Cho Ha said he had directed his officers and local authorities to inspect the site and determine the cause of the landslide. "We are thankful that no one was hurt but we have to find out why the rockfall happened," he said when met at the Seri Perdana Hari Raya open house hosted by the Prime Minister and the Cabinet.

The minor landslide occurred at Jalan Wangsa 7, Bukit Antara-bangsa around 5.30pm on Saturday following heavy rainfall. A car was partially buried but no one was hurt. The location is close to the deadly landslide area, where an occurrence in December had claimed five lives and damaged 14 houses. Kong said instructions were given to all local authorities during a meeting on Sept 17 to carry out inspections throughout the country, especially hilltop areas. "There needs to be regular inspection and maintenance work to ensure all hillslopes and the surrounding areas are safe. We need to ensure that no untoward incident or landslide happen again," he added.

He said developers and local authorities were also required to abide by a new hillslope development guideline which was recently approved. On whether residents would be evacuated from the area, Kong said a decision would be made after the inspection. Most residents, he added, were currently away for the long Hari Raya break. On Saturday, Ampang Jaya OCPD Asst Comm Abdul Jalil Hassan had said the landslide was minor and the soil had been cleared. However, several policemen, he said, were stationed in the area as a precautionary measure.

Tuesday September 22, 2009

Govt to cut down on overseas trips and equipment purchase

IPOH: The Government will slash operational expenditure in Budget 2010 by reducing the number of official trips overseas and purchase of equipment. Second Finance Minister Datuk Seri Ahmad Husni Hanadzlah said the money saved would be channelled into other sectors. "Operational expenditure on equipment acquisition and official trips abroad will be reduced. "Expenditure in sectors like tourism, trade and investment industries will however be increased," he told reporters at his Hari Raya open house in Kampung Sungai Rokam here yesterday.

"However, although operational expenditure will be lower, it will not affect our efficiency." Ahmad Husni added that the Government was still finalising the figures for the Budget, which would be tabled at the Dewan Rakyat on Oct 23. He said the Budget this time would focus on helping to create a conducive environment for both local and foreign investors.

“We will also look into how government-linked companies (GLCs) can play a part in attracting investment into the country.” Ahmad Husni also said that this year’s growth in foreign investment had been slow and anticipated a similar situation next year. “The country’s revenue for 2010 is expected to be lower than this year’s,” he said.

Tuesday September 22, 2009

Business - Knowledge content in key economic sectors

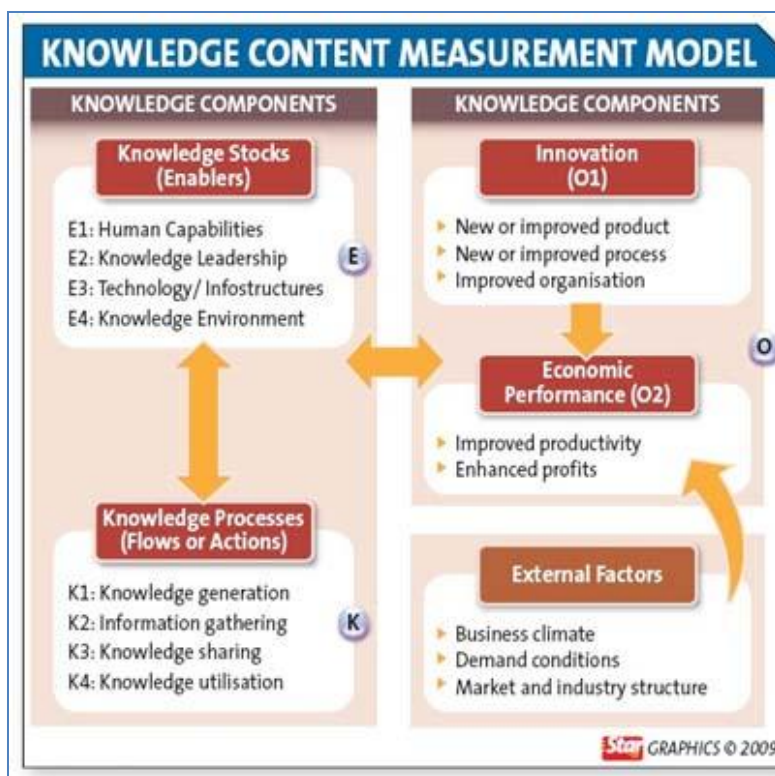
Policy Perspective by Datuk Noriyah Ahmad



MALAYSIA’S transformation towards a knowledge-based economy since the mid-1990s has seen encouraging achievements but more needs to be done. The Malaysian economy registered a gross domestic product (GDP) growth of 4.6% in 2008. Total factor productivity (TFP), encompasses enhancing efficiency of all factors of production including the development of human capital through knowledge-based activities, inculcating a creative and innovative mindset as well as adopting new technologies and innovation to accelerate productivity growth, is a relevant measure.

TFP grew by 2% for the period 1999-2008 where all economic sectors registered TFP growth ranging from 1% (agriculture) to 2.3% (manufacturing). The economy is targeted to achieve a TFP growth of 2.2% during the Ninth Malaysia Plan (2006-2010) and 2.8% in the 2011-2020 period. The study on knowledge content in key economic sectors done by Economic Planning Unit, Prime Minister’s Department, in 2007 measured the level of knowledge content and readiness of the Malaysian industries.

The study encompasses a stratified random survey of 2,433 firms from 21 industries, comprising agriculture, manufacturing, services, and wholesale and retail trade sectors. The study defines knowledge content as the sum of human capabilities, leadership assets and experience, technology and information capital, collaborative relationships, intellectual property, information stocks and capabilities for shared learning and utilisation that can be used to create wealth and foster economic competitiveness. The knowledge content measurement framework identifies four knowledge enablers and four knowledge actions with innovation and economic performance as outcomes. Knowledge content was highest in the telecommunications, IT and chemicals industries whereas the agriculture, wood and construction industries reported the lagging industries.



The gaps between the large firms and SMEs, that of foreign and domestic firms, have narrowed as compared with a similar study done in 2003, highlighting opportunities to promote knowledge exchange and learning between leading and lagging industries.

Human capabilities, technology and infostructure.

Overall, all industries did well in technology and infostructure, particularly finance, IT and education services. However, the performance in human capabilities was on the average low, implying that soft aspects in supporting a knowledge-based economy must be given greater focus with training programmes refined and integrated to enable sharing of knowledge. ICT is the enabling tool in a knowledge-based economy whereby regular use of ICT as part of an employee's job is associated with higher productivity in industries.

Knowledge leadership and environment.

Government assistance in the form of information, advice and technical assistance has significant impact on the level of knowledge content across industries. However, of concern is the declining rate of collaboration between firms and the ministries, agencies, state and local governments, universities and public research institutes, suggesting a greater need for industries to collaborate with public organisations.

Knowledge generation, acquisition, sharing and utilisation

Research and development engagement, patent and copyright application was low among industries despite continuous provision of funds and infrastructure support. The capacity to absorb and utilise knowledge is critical to enable the development of new knowledge and innovation, thus enhancing competitive advantage. It is observed that knowledge intensity in biotechnology firms is higher than others. The business services, machinery, IT services and agriculture industries were found to serve as hubs for the creation and diffusion of knowledge to other industries.

Knowledge-driven outcomes

Knowledge acquisition and development activities, knowledge exchange with foreign firms and regular use of ICT were significantly associated with higher productivity. These firms received higher returns from knowledge activities which translated into improved products, processes and organisation through innovation and enhanced economic performance.

Conclusion

Industries identified lack of funds and English-speaking workers as well as inadequate skills as constraints in improving knowledge content, worker skill and ICT utilisation. Industries have significantly increased their extent of preparedness to become knowledge intensive with variations in the knowledge content dimensions.

Findings of the study will form a valuable input for the upcoming 10th Malaysia Plan.

The Government will play its facilitator role by creating a more conducive environment to support innovation, human capital development and the pervasive use of technology while the private sector is expected to lead as the engine of growth. The private sector must be willing to invest in the development of its human resource, which is key to innovation, and increase its collaboration with other players within and outside of the industry that may be a part of its supply or marketing value chain.

We must become more focused on areas of opportunity for Malaysia, not by driving down wages, but through creativity and innovation in developing products and services that meet global standards. In today's era of convergence, we will see a move into cross-sectoral fields of economic activities, which include healthcare, agro and industrial biotechnology. ICT will continue to play a dual developmental role which is as an industry and as an enabler in driving the growth of our economy.

The writer is director-general of the Economic Planning Unit.

Wednesday September 23, 2009

PKFZ leak: Individuals to be called up to assist police

By ANDREW SAGAYAM

KUALA LUMPUR: Several individuals will be called up to assist police investigations into an Internet posting of classified Cabinet papers on the Port Klang Free Zone (PKFZ). Inspector-General of Police Tan Sri Musa Hassan said police will conduct the probe under the Official Secrets Act (OSA). "We will call whoever is connected or involved with the exposing of the document and if the claims mentioned are true," Musa said this to reporters after visiting the Ampang Jaya district police headquarters on Wednesday.

He was commenting on posting of the documents on the Malaysia Today website showing a request to increase the cost for the RM12.5bil project. Musa, however, declined to reveal how many individuals would be called in by the police. He also did not reveal the identities of those who would be questioned. "I don't to comment on that as it will disrupt our investigation. We will do the necessary," he added.

On Thursday, the website published a June 2007 memorandum sent by the Treasury to the Cabinet on matters pertaining to the PKFZ. The alleged 18-page document bore a reference number allegedly showed that the Government was aware of the escalating cost to develop the project. The documents were supposedly signed by a minister.

Wednesday September 23, 2009

PKFZ: PKA within its rights to sue Kuala Dimensi, says Lee

PETALING JAYA: The Port Klang Authority (PKA) did not breach any contract by taking legal action against Port Klang Free Zone (PKFZ) turnkey developer Kuala Dimensi Sdn Bhd. PKA chairman Datuk Lee Hwa Beng said PKA was an aggrieved party in the PKFZ project and had been advised by its lawyers to seek legal remedies in the court of law. "The issue of whether PKA is about to breach a contract, as (Kuala Dimensi deputy chief executive officer) Faizal Abdullah claimed, does not arise. "The allegations by Faizal that PKA 'tramples and revokes the laws of contract or agreement in Malaysia when necessary' are misleading and inappropriate," Lee said in a statement Wednesday.

He said the suit filed last week was part and parcel of the legal actions approved by the PKA board to exercise its legal rights arising from alleged wrong imposition and calculation of fees, and fraudulent, wrongful and irregular claims. PKA had filed a suit at the Shah Alam High Court registry against Kuala Dimensi disputing the computation of interest that might go as high as RM720mil. "It is not appropriate to comment further on the subject matter of the legal suit in the media as the matter is now before the Court, which is the appropriate forum to decide on the extent of liabilities of the relevant parties. "Kuala Dimensi will have its day in court," said Lee.

Thursday September 24, 2009

RM10mil to develop Kenyir Lake

KUALA TERENGGANU: The Terengganu Tengah Development Authority (Ketengah) will spend RM10mil this year to develop Kenyir Lake for tourism. Its general manager Hamzah Ngah said Ketengah had identified several projects, among them building the Gawil tourism terminal and improving the facilities at the Herbal park and Pulau Sah Kecil. "This will help Kenyir Lake to expand as a major tourist attraction in the country," he said here.

He also said that Ketengah received an allocation of RM25mil in special funds from the Federal Government this year. The biggest allocation was for the tourism sector, with RM10.3mil, infrastructure and social development (RM6.3mil), housing (RM3.2mil), human capital and education (RM2.2mil), economic and business development (RM1.7mil), information technology and communication (RM800,000) and poverty eradication (RM500,000).

Thursday September 24, 2009

IGP: Several people will be quizzed over PKFZ paper leak

KUALA LUMPUR: The police will be calling up several individuals to assist investigations into the Internet posting of leaked Cabinet papers on the Port Klang Free Zone (PKFZ), said Inspector-General of Police Tan Sri Musa Hassan. He said the case was investigated under the Official Secrets Act. "We will call whoever is connected, or involved, in exposing the documents, if the claims mentioned are true," Musa said after his impromptu visit to the Ampang Jaya district police headquarters yesterday.

He was commenting on the posting of the documents on the *Malaysia Today* news portal recently showing a request to increase the cost for the project. Musa, however, declined to reveal the identities of the individuals, how many and when they will be called. "I don't want to comment as it will disrupt our investigation. We will do the necessary," he added.

On Thursday, the website published a June 2007 memorandum sent by the Treasury to the Cabinet on matters pertaining to the PKFZ. The alleged 18-page document which bore a reference number allegedly showed that the Government was aware of the escalating cost to develop the project. The documents were supposedly signed by a minister.

Thursday September 24, 2009

No contract breach in lawsuit, says PKA boss

PETALING JAYA: The Port Klang Authority (PKA) did not breach any contract by taking legal action against Port Klang Free Zone (PKFZ) turnkey developer Kuala Dimensi Sdn Bhd. PKA chairman Datuk Lee Hwa Beng said PKA was an aggrieved party in the PKFZ project and was advised by its lawyers to seek legal remedy. "The issue of whether PKA is about to breach a contract, as (Kuala Dimensi deputy CEO) Faizal Abdullah claimed, does not arise. "The allegations by Faizal that PKA 'tramples and revokes the laws of contract or agreement in Malaysia when necessary' are misleading and inappropriate," Lee said in a statement yesterday.

He said the suit filed last week was part of the legal actions approved by the PKA board to exercise its rights arising from wrong imposition and calculation of fees, and fraudulent, wrongful and irregular claims. PKA has filed a suit at the Shah Alam High Court registry against Kuala Dimensi, disputing the computation of interest that might go as high as RM720mil. "It is not appropriate to comment further on the legal suit in the media, as the matter is now before the court. "Kuala Dimensi will have its day in court and should refrain from giving misleading statements to the press," said Lee.

Meanwhile, the chairman of the ad hoc committee on the administration and corporate governance of PKA and PKFZ said two more independent directors were needed to help put in place good governance in the PKA board. Datuk Paul Low said that, currently, only former PKA general manager Datuk M. Rajasingam was appointed as an independent director. He said that of the 10 board members, one third should be independent directors appointed by the board. "We are preparing the recommendation report and moving on to implementation," Low said yesterday.

Friday September 25, 2009

PKFZ: PKA sues Kuala Dimensi, BTA for RM920m (Update)

SHAH ALAM: The Port Klang Authority (PKA) has filed RM920mil suits against Kuala Dimensi Sdn Bhd, the turnkey contractor for the Port Klang Free Zone (PKFZ) project, and the project consultant BTA Architect, over key development and supplemental agreements signed between February 2003 and November 2006. PKA chairman Datuk Lee Hwa Beng Lee filed the suits at the Civil High Court registry here Friday. However he refused to give copies of the two suits to the media. Lee, in a statement, said that the suits were filed for relief, including for the rescission of all the development agreements, and a declaration that Kuala Dimensi is only entitled to be paid the reasonable value of work properly done.

Alternatively, Lee seeks a declaration that all notices of payments issued by Kuala Dimensi are null and void. He also alternatively seeks a declaration that Kuala Dimensi is not entitled to, and PKA is not obliged to pay Kuala Dimensi, the claims totalling RM836,758,459.92 which Kuala Dimensi had made for the monsoon drain and water supply works, preliminaries, professional fees and variation works respectively under the development agreements. Alternatively, he seeks an order that the works carried out by Kuala Dimensi be remeasured by an independent consultant appointed by the court and the preliminaries and professional fees payable be assessed by the court.

Lee also seeks interest, general damages and costs on an indemnity basis and damages for fraud and negligent misrepresentation, interest, costs, damages for conspiracy and any other relief deemed fit by the court. He said PKA had also filed an originating summons at Civil High Court registry here to seek a declaration that the increase in the interest rate from 5% to 7.5% per annum in respect of a supplementary agreement for additional development works signed in April 2006 is null and void. The total disputed amount at present totalled around RM1.64bil, including the RM720mil suit filed by PKA on Sept 18, he said.

“The PKA board is conscious of its duty to do what is right for the port authority and to exercise its duty in an appropriate manne.” Kuala Dimensi was appointed by PKA in 2003 to develop the PKFZ on a 405ha site adjacent to the North Port in Klang. The company was embroiled in a controversy after it was alleged to have overcharged PKA for the PKFZ project, causing PKA and the project severe losses.

Saturday September 26, 2009

PKA files more suits against PKFZ contractor and architect

By LISA GOH

SHAH ALAM: The Port Klang Authority has filed two suits amounting to RM920mil against Kuala Dimensi Sdn Bhd, the turnkey contractor for the Port Klang Free Zone (PKFZ) , and project consultant BTA Architect over key development and supplemental agreements signed between February 2003 and November 2006. PKA chairman Datuk Lee Hwa Beng, who filed the suits at the High Court Registry here at 11am on Friday, said the latest suits and those filed last week would bring the disputed amount to about RM1.64bil.

Last week, Lee filed a suit against the contractor, disputing the computation of interest that could amount to RM720mil. In the latest suits, PKA is seeking a rescission of all development agreements, and a declaration that the contractor is only entitled to be paid the reasonable value of work properly done on the PKFZ project. “Alternatively, a declaration that all Notices of Payments issued by Kuala Dimensi are null and void,” he said in a press statement.

Lee is also seeking a declaration that Kuala Dimensi was not entitled to the RM836,758,459.92 claims which it made for the monsoon drain and water supply works, preliminaries, professional fees, and variation works under the development agreements. He is also seeking damages for the remedial cost of defective works (in the sum of RM33,839,500) in respect to the works done under the development agreements. Also sought are damages for the loss of the use of a six-acre (2.4ha) land meant for a four-storey carpark of a business class hotel (under the additional development works agreement) as a result of the contractor's failure to construct it.

Lee also sought a court order to have the works done by the contractor to be re-measured by an court-appointed independent consultant and that fees for this be assessed by the court, among others. In the suit against BTA, Lee is seeking damages for fraud and negligent misrepresentation, with interest and costs. He added that he had also filed an Originating Summons to seek a declaration that the increase in the interest rate from 5% to 7.5% per annum, in respect of a supplementary agreement for additional development works signed in April, 2006, was null and void.

Lee is also seeking damages for conspiracy and costs on an indemnity basis against the two defendants with interest, and other reliefs deemed fit by the court. In 2003, PKA appointed Kuala Dimesi to develop the PKFZ on a 405ha site adjacent to the North Port in Klang. The company was embroiled in a controversy after it was alleged to have overcharged PKA for the project, causing the authority and the project to suffer severe losses. In last week's suit, PKA sought a declaration that the interest charged on the balance purchase price of the land was wrongly imposed. Lee said Kuala Dimesi had sold the land to PKA for RM1.088bil on a "special value" basis, and that its valuation had already taken into consideration the interest element. Therefore, this should not have been charged in addition to the said RM25 per square foot, he said.

Speaking to reporters, Lee said there would be more suits to come, but declined to elaborate. "These suits are filed based on information we have received, and we have to act accordingly. "PKA does not belong to me," he said. "Our funds are from the public. If this suit is successful, then it means we'll be paying less to the contractors." He said, so far, PKA had paid the developer about RM1.3bil, with another RM2.8bil outstanding.