

**Wednesday September 9, 2009**

## **Tomyam toll**



**PETALING JAYA:** The lorry came to a halt on the road shoulder outside the tomyam restaurant. The driver stepped out and walked in. A woman at the shop approached him to take the order — but she wasn't talking about food. "Tell me, from where to where, the type of the vehicle, the time and date of your travel," she asked. The Serasi Tomyam Seafood restaurant sells fake toll receipts for a nominal fee. The wooden seafood restaurant, near Simpang Renggam, located right between Kulai Jaya and Kluang districts, is a well-known rest and recreation (R&R) spot for heavy vehicle drivers - and is one of the most popular "hotspots" that sells fake toll receipts. Lorry operators, government agencies and private firms are being duped daily in this multi-million ringgit toll scam.

Starprobe has uncovered an organised syndicate that uses nondescript locations such as food outlets and houses as bases to sell fake toll receipts, which are identical to the original ones obtained from toll booths. They have the PLUS corporate logo against the white background as well as the details such as time, date, entry and exit points and the correct toll charges.



**Rest and receipt area:** A lorry is seen parked by the side of the seafood restaurant which also serves as front for a scam where receipts identical to those issued at PLUS toll booths can be bought.

These can be used to make fake claims — as high as RM250 for travel up and down the length of the North- South Expressway. For a small fee, errant drivers of tankers, trailers and lorries can make claims for toll charges using the fake receipts even though they only used trunk roads. Drivers on official duty outstation are also taking advantage of this to cheat their employers. Motorists need to pay only RM4 for a fake PLUS receipt while the charge for heavy vehicles is only RM5.

This means claimants make a handsome profit - a heavy vehicle driver who travels from Ipoh to Sedenak, Johor, can claim RM269.60 for the two-way journey when he actually spent only RM10 for two fake receipts. Likewise, a motorist who travels from Jalan Duta to Skudai, Johor, can claim RM94 for two ways although he spent only RM8 on two fake receipts. The transaction in the fake receipts is discreet and many heavy vehicle drivers know where the hotspots are. Starprobe found out that the fake toll receipts are sold at several strategic towns including Dengkil in Selangor, Simpang Renggam in Johor and Karak, Pahang.

## The fake and genuine receipts look the same.

To avoid getting caught, the receipts are also sold via bookings made through the telephone. Those who place their “orders” this way can also have the receipts hand-delivered to them at strategic locations. The Serasi Tomyam Seafood restaurant operates 24 hours and receipts are sold at all times except on Sundays. At least 10 vehicles are parked around the outlet at any one time.

Starprobe's ELAN PERUMAL visited the Serasi Tomyam Seafood restaurant. He tells his story.

into the premises. While waiting for someone to attend to me at the table, a woman, believed to be the operator of the eatery, approached me, believing me to be a lorry driver there to buy a fake toll receipt. The woman, who was accompanied by two young children, looked at me and I took the opportunity to say I wanted to buy receipts for a two-way journey from Klang to Johor Bharu.

She quickly wrote down the details and told me to wait. Then, she went into a room and passed the note to a person in the room who then produced the receipts. Not long after, the woman came out of the room, holding the receipts. When I saw her, I quickly made my way to the counter and she gave me the two receipts which I paid RM8 for. I took the receipts and left the scene. When I inspected them, I found that they were identical to the original ones - the paper used appeared is similar to the one used by PLUS, the fonts and corporate logo are also the same.

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**I cheated - to prove a point**



PETALING JAYA: It's not something I'm proud of. But I managed to dupe my own company, using a fake PLUS receipt obtained from the Serasi Tomyam Seafood restaurant to make claims. Don't get me wrong, my intention was not to cheat but to prove a point. I thought it would further strengthen my case and I'm glad it worked to my benefit. I was surprised when the dubious claim I made went through the stringent process set by my company's finance department and the editorial administration department, and was approved. There were no queries from either departments for verification.

From experience, personnel from the two departments would make detailed enquires before approving claims. Even my boss did not see any peculiarities in the receipt or spot any difference from the original one. So, the claims, attached with my petty cash claim form, went through all the way. While I did it to prove a point, I now owe an explanation to the finance department, for they would have discovered by now that I used a false receipt to make the claim. Hopefully, my first-person account will enlighten *The Star* readers on how irresponsible heavy vehicle drivers can cheat their employers. And of course, many others on official duties have been doing it for years. — By ELAN PERUMAL

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## **What Malaysia must do to grow the services sector**



IF Malaysia wants to transform her economy to further grow the services sector, a few basic things have to happen. First, her people must be able to differentiate between making money from the services sector and giving excellent service as a prime focus under the new culture. Tip-top service is not confined to those who arrive in limousines, are chauffeur-driven and don a RM5,000 suit or are able to pay an RM80,000 hospital bill. It must permeate throughout all levels of society and at all places where normal transactions take place. The other day, I was pleasantly surprised to walk into a neighbourhood bank and greeted by an officer who was seated facing the door. She was also helping customers with their small queries. Not all the observations are positive though. Just take a simple shopping trip or check some of your bills and statements.

Think back to the number of times you might have had to call to get your waiver on card annual fees to be noted and the charges to be reversed in your statement (to give a fair picture, there was another bank that had it in the statement “annual fee waived – thank you for your support.”). Some may recall the faxes they needed to send for reinstatement of insurance instalment on a charge in the previous card used for auto billing. Parking tickets can be a hassle even when the person has already presented his at the customer service together with a valid receipt. He still has to validate it at the machine which once in a while, may still ask for the amount to be paid. Some shopping places attempt to offer a more unique experience. I have come across a notice at the cashier saying “please remind me if I do not smile or say ‘thank you’.”

There is often a misconception that good service is mostly for the benefit of tourists and foreigners who would have a good story to relate when they return to their countries. However, a truly service-oriented economy will be evident when the concept of good service is imbued into people’s behaviour and mindset. The challenge to companies is to motivate their staff to always show that they care and understand the importance of their actions, as well as the messages sent out to the public as a result of these actions. Is it enough to just lecture them or blacklist them when they make mistakes? Or put them on a string of key performance indicators like on a cold plate? We must remember we are dealing with fine human elements when it comes to nurturing a services economy.

At a recent interview with Bank Rakyat, managing director Datuk Kamaruzaman Che Mat made a relevant comment: “The difficult part is to make everyone continuously happy (despite their routine jobs) not just this year but the next year and beyond. When they are happy, they will go the extra mile.” Would that reward be just in the form of money and how much will be enough? How do we manage staff expectations (which can grow) and keep them “continuously happy”?

Some companies deploy a “mystery shopper” to drop by and experience not just how products and services are marketed but also how well queries and problems are handled. It is also good to have neutral parties to receive and assess complaints from the public. In many countries overseas, the concept of an ombudsman is practised for not just private but also public sector complaints. Paying attention to the nitty-gritty of service quality can appear cumbersome especially to normal, peace-loving Malaysians who often prefer to “close one eye” and “live and let live.” The services economy deals with nuances of human behaviour, perceptions and aspirations. No two persons are alike and it is going to take a lot of wisdom and foresight on the part of planners to make sure that all elements gel to make it a success.

*Senior business editor Yap Leng Kuen realises that nobody is perfect. But we still have to try and make a difference; otherwise, we can never get there in terms of a truly vibrant services economy.*

**Thursday September 10, 2009**

## **Cabinet forms task force to look into two aspects of PKFZ project**

**By MAZWIN NIK ANIS**

PUTRAJAYA: Investigations into the Port Klang Free Zone project has gone one step further — the Cabinet has set up a task force to look into two aspects — whether the project was carried out in line with good governance and its future direction. Prime Minister Datuk Seri Najib Tun Razak announced that the task force would be headed by Chief Secretary to the Government Tan Sri Mohd Sidek Hassan and would include Treasury secretary-general Tan Sri Dr Abdul Aziz Wan Abdullah, Attorney-General Tan Sri Abdul Gani Patail, officers from the Transport Ministry and also professionals.

Najib said the Cabinet, which discussed the PKFZ issue at its weekly meeting yesterday, decided to divide the issue into three aspects. He added that apart from the two aspects to be looked into by the task force, the other was to determine whether there was abuse of power, any wrongdoings or violation of law. The third aspect will be investigated by the police. “This is the responsibility of the police to investigate and for the Attorney-General to decide (on the findings and the next course of action) later. “On the issue of PKFZ, the truth is very important. The Cabinet wants a full and detailed investigation,” he told reporters after breaking fast with Cabinet Ministers and senior government officials.

Najib said on the good governance issue, the task force would have to determine if it had been practised from the early stages of the project. “We also want the task force to propose what we should do with the project and what can be done in the future so that we can maximise (its) value for money and reduce cost to taxpayers. “Once we have the report from the task force, the Cabinet will study it and determine the next course of action,” he said. He said the task force, which was expected to have its first meeting after the Raya, had not been given a specific time frame to conduct its findings.

He added that task force members knew the urgency of the matter and the report should be tabled to the Cabinet as soon as possible. To a question, the Prime Minister said if there was abuse of power, action would be taken regardless who the individuals were, but he stressed that the authorities would have to look deep into the case to determine who was responsible and how serious the violations were. Asked if the Cabinet was “minimising” Transport Minister Datuk Seri Ong Tee Keat’s role in the case, Najib said that was not the purpose behind the setting up of the task force.

“Why should I? We are in the same government. Don’t try to split (us). We all stand together. He (Ong) will not be in the task force but the ministry’s representatives are,” he said. The Prime Minister also denied the move to set up a task force meant that the Government was taking the issue from the Transport Ministry. “The (earlier) report done by the ministry will be considered by the task force but because this is bigger than the purview of the Transport Ministry, it is only appropriate that the Chief Secretary chairs the task force. This is to underscore the Government’s seriousness on the matter” Najib said that investigations conducted by the Malaysian Anti-Corruption Commission and the police would continue.

## **Thursday September 10, 2009**

### **Tee Keat lodges police report**

KUALA LUMPUR: MCA president Datuk Seri Ong Tee Keat has lodged a police report against Kuala Dimensi Sdn Bhd chief executive Datuk Seri Tiong King Sing for lodging a false police report against him. “To further clear my name and defend my integrity, today (yesterday) I lodged a police report against Tiong. Tiong King Sing lodged a police report against me for cheating and alleged that he had given me RM10mil to finance the MCA’s activities on Aug 26,” he wrote in his blog [www.ongteekeat.net](http://www.ongteekeat.net) yesterday. He said Tiong also alleged that the money did not end up with the party. “I categorically deny Tiong’s baseless allegations.

His police report was malicious and clearly intended to smear me in my personal capacity as Transport Minister and MCA president. In fact, I have already filed a RM500mil defamation suit against him.” Ong said the Malaysian Anti-Corruption Commission interviewed him over Tiong’s report. Later, more than 300 members of the Federal Territory and Selangor MCA attended a closed door meeting to listen to Ong explain the sacking of Datuk Seri Dr Chua Soi Lek as deputy president, at the party headquarters here last night.

**Thursday September 10, 2009**

### **Chan may sue media for reports**

KUALA LUMPUR: Former Transport Minister Tan Sri Chan Kong Choy may take legal action against several media organisations for publishing reports which allegedly implicated him in the Port Klang Free Zone (PKFZ) issue. Chan, who is currently abroad, has instructed his lawyer to look into the matter. The development of PKFZ, covering some 400ha, opened up a can of worms when its costs rose from RM1.1bil to RM4.6bil. "Tan Sri (Chan Kong Choy) is very upset with the unverified news reports," a source close to Chan said yesterday. "We believe that the intention of such reports is to create a rift between Tan Sri (Chan) and MCA president Datuk Seri Ong Tee Keat so that supporters of Tan Sri (Chan) in the (MCA) party will be angry. This is in an attempt to turn away support from Ong," the source claimed.

**Thursday September 10, 2009**

### **Cops probe toll scam**

**By FARIK ZOLKEPLI and ELAN PERUMAL**

JOHOR BARU: The state police have started investigating an alleged fake toll receipts scam being carried out at a wooden seafood restaurant near Simpang Renggam. Police chief Deputy Comm Datuk Mohd Mokhtar Mohd Shariff said both the police and PLUS officials were working closely to investigate the case to uncover the culprits behind the alleged scam. He added that police were also monitoring the restaurant. "We will not tolerate such matter and are determined to get to the bottom of this." It was reported on Tuesday that the restaurant, which is a well-known rest and recreation spot for heavy vehicle drivers, is one of the most popular 'hotspots' that sells fake toll receipts.

In Petaling Jaya, PLUS Expressways Bhd corporate communications general manager Khalilah Mohd Talha said it was aware that forged toll receipts were being sold at various places around the country. She said they knew that forged toll receipts were sold to lorry drivers who used these receipts to falsify claims. She said some companies had sought assistance to verify the validity of the claims and toll receipts. "PLUS had also in the past provided assistance to the relevant authorities in carrying out raids on such unscrupulous activities in which arrests were made and equipment seized," she said in a press statement.

Khalilah added that it had started a pilot project, PLUSTRack, early this year for a more efficient mode of toll payment and to assist fleet operators in preventing fraudulent claims made by their drivers. PLUSTRack is a Touch 'n Go-based fleet card that eliminates the need for fleet operators to provide cash reimbursements to their drivers. It also provides online monitoring of vehicle toll transactions, thus facilitating tracking of the fleet movement. Meanwhile, Pan Lorry Owners Association president Er Sui See said he was aware that the outlet was involved in allegedly selling forged receipts to heavy vehicle drivers.

He said the activity had been going on for a few years and was surprised that PLUS had not acted against the culprits. "We have reported the matter to PLUS but they have done nothing to stop the activity," he said.

**Thursday September 10, 2009**

## **KKB starts RM196mil water project**

**By JACK WONG**

KUCHING: KKB Engineering Bhd has started pipe laying work for the proposed RM196mil Samalaju Water Supply project which it was awarded last month. The project involves the laying of 800mm and 650mm-diameter mild steel cement lined pipes stretching some 90km from the raw water intake point in Bintulu to Samalaju. The project would supply 35 million litres per day (mld) raw water and 5mld treated water to Samalaju when completed by August 2011, the state Public Works Department (JKR) said in a statement yesterday. The department and KKB signed the contract agreement yesterday. The signatories were JKR state director Datuk Hubert Thian and KKB chairman and group managing director Datuk Kho Kak Beng.

The entire project is estimated at RM305mil. The other major component is the supply of mild steel cement lined pipes for the project. The project is funded by both the state and federal governments. Sarawak Public Utilities Minister Datuk Amar Awang Tengah Ali Hassan, who witnessed the agreement signing ceremony, said the project would supply water to all the heavy and downstream industries to be set up in the yet-to-be-developed Samalaju Industrial Park within the Sarawak Corridor of Renewable Energy. It will also supply treated water to the proposed Samalaju new township and several coastal villages there.

Awang Tengah said Japan's Tokuyama Corp would be the park's first major investor. "The company plans to set up a polycrystalline silicon plant, with construction work expected to start in January 2011," he said, adding that the plant, with a production capacity of 6,000 tonnes a year, would begin operation in 2013. Awang Tengah said many investors had shown interest to set up energy-intensive industries, like aluminium, zinc and nickel smelting as well as steel production plants there.



**Friday September 11, 2009**

## **MACC to quiz Khir**

**By LOURDES CHARLES**

SHAH ALAM: Former Selangor Mentri Besar Datuk Seri Dr Mohd Khir Toyo has been asked to be present at the Malaysian Anti-Corruption Commission office here to assist in investigations related to the purchase of his multi-million ringgit palatial home. It is learnt that the commission wants to query Dr Khir as the MACC is said to have obtained an independent evaluation report on the cost of the controversial mansion in Section 7 here.

Sources said the commission had obtained at least two evaluation reports with one estimating the mansion to be about RM5mil. They said the commission did not close its investigations into Dr Khir's home as it was waiting for the independent reports as well as make discreet inquiries. MACC started investigating the former MB following allegations made in a blog, as well as that by DAP Sekinchan assemblyman Ng Swee Lim, who claimed the palatial mansion was worth about RM24mil.

The sources also said that, besides the investigations into the mansion, the commission was expected to quiz Dr Khir about the accounts of Balkis (Wives of Selangor State Assemblymen and MPs Charity and Welfare Organisation). They said it had been conducting inquiries and decided they needed Dr Khir to assist in investigations. Dr Khir has been alleged to have abused funds belonging to Balkis of which his wife was the head before it was dissolved after the March 8 general elections last year.

**Friday September 11, 2009**

## **Full support for task force**

**By NG SI HOOI**

KUALA LUMPUR: Transport Minister Datuk Seri Ong Tee Keat is supportive of a task force formed by the Cabinet to look into the Port Klang Free Zone (PKFZ) issue. He said the move was an extension of what the ministry and the Port Klang Authority (PKA) had done and it reflected the seriousness of the Government in wanting to get to the bottom of the issue. "I agree with the Prime Minister that we are all in the same team working towards a common goal of finding the truth," Ong wrote in his blog [www.ongteekeat.net](http://www.ongteekeat.net) yesterday.

Ong said he remained committed to calling for a full accountability of the PKFZ issue. "I consider the new task force as the last lap in what has been a tedious and complicated marathon race to do what is right not for Ong Tee Keat but for the people" On Wednesday, Prime Minister Datuk Seri Najib Tun Razak announced that the task force would look into two aspects – whether the project was carried out in line with good governance and its future direction.

Ong said it was encouraging that the investigations had gone to another level to include the Attorney-General, the Chief Secretary and the Finance Ministry. "To probe fully into the PKFZ, all these parties would have to be involved as the immense task cuts across several ministries and government agencies. The Transport Ministry and the PKA had done everything in its power including making the PricewaterhouseCoopers review on the issue public. Meanwhile, MCA secretary-general Datuk Wong Foon Meng said the Prime Minister's decision on set up the task force was in line with acting responsibly and good governance. Wong also pointed out that the case involving the PKFZ was very wide and which also extended to many other ministries.

## **Friday September 11, 2009**

### **Govt task force on PKFZ welcomed**

PETALING JAYA: The move by the Govern-ment to establish a Cabinet task force to look into the governance and future direction of the Port Klang Free Zone (PKFZ) project has been welcomed by various quarters, including Transparency International (TI). TI president Datuk Paul Low said the move would make the matter "less personal" to Transport Minister Datuk Seri Ong Tee Keat. "With this, it will not just be left in the hands of the Transport Ministry," he said, urging the public to support the move. He was commenting on the new task force set up by the Cabinet on Wednesday to look into whether the PKFZ project was carried out in line with good governance and its future direction.

Low said the report by the task force should be made public and the Government should make use of the report and make sure that the recommendations are implemented. The report can also be a case study when it comes to investigating cases of a similar nature, he added. "The task force involves civil surveillance and people who are in the position to change things in the government. What we learn from the PKFZ investigation can be applied in similar situations in the future," he said.

Bar Council president Ragunath Kesavan wanted to see some end result from the move. "Everybody wants to see the end result and whoever that is responsible being prosecuted. It has taken far too long. A lot of public money is involved." This is an issue of the credibility of the Government," he said, adding that the Government had to get to the bottom of the PKFZ issue and find a solution.

## **Friday September 11, 2009**

### **Police quiz Tiong for four hours**

KUALA LUMPUR: Kuala Dimensi Sdn Bhd (KDSB) chief executive officer Datuk Seri Tiong King Sing was grilled by the Commercial Crimes Investigations De-partment (CCID) for almost four hours on the Port Klang Free Zone (PKFZ) scandal. Tiong arrived at the department at Bukit Perdana at 10am and left at 2.10pm after having his statement recorded by a senior police officer. The embattled CEO who is the Backben-cher's Club chairman is being investigated by both police and the Malaysia Anti-Corruption Commission (MACC) over the scandal. He left in a silver Mercedes Benz and refused to talk to scores of reporters who gathered outside the premises.

CCID director Comm Datuk Koh Hong Sun confirmed that Tiong was quizzed by his officers but declined to elaborate. Tiong, who is also Bintulu MP and treasurer-general of the Sarawak Progressive Democratic Party (SPDP), is the main developer appointed as the sole turnkey contractor for the project without any competitive bidding. A task force, set up by the Transport Ministry, had on June 10 found possible fraud, including overcharging and unsubstantiated claims which could run up to RM1.5bil by Kuala Dimensi. Among the irregularities discovered by the taskforce were fraudulent claims on electrical infrastructure worth RM55.8mil which had yet to be carried out on the site and an alleged "over claim" for hotel works, for which Kuala Dimensi had claimed RM69.6mil compared to the quantity surveyor's valuation of RM44.7mil.

PricewaterhouseCoopers Advisory Services (PwC) which was commissioned by Port Klang Authority (PKA) to look at the PKFZ project, estimated that based on current projections of revenue and costs, including interest costs, the project could eventually cost RM12.45bil. Last Thursday, the Public Accounts Committee found that payments worth millions of ringgit were made to Kuala Dimensi without the prior approval and knowledge of the PKA board.

## **Saturday September 12, 2009**

### **Report lodged over fake PLUS receipts**

PETALING JAYA: PLUS Expressways Berhad has lodged a police report over the sale of fake toll receipts to heavy vehicle drivers and motorists. Its chief operating officer Nik Airina Nik Jaffar said PLUS would cooperate fully with the police. and expressed confidence that the matter would be dealt with. In a *Starprobe* report on Wednesday, it was revealed that the Serasi Tomyam Seafood restaurant near Simpang Renggam in Johor had been selling forged toll receipts to heavy vehicle drivers and motorists for RM5 and RM4 each, respectively. It was reported that the forged receipts were identical to the ones issued from PLUS toll booths nationwide.

**Saturday September 12, 2009**

**Land & Property - Government to revive 78 projects**

PETALING JAYA: The Government is taking the initiative to revive 78 abandoned housing projects under its new Housing Revival Initiative, said Housing and Local Government Minister Datuk Seri Kong Cho Ha. However, he said it was difficult to estimate how much time was needed to revive these abandoned projects as many were difficult cases. "From 1990 to 2007, there were 136 abandoned housing projects, or about 2% of the total housing developments in the country. "Among them, 49 projects are currently being rehabilitated and 17 are difficult cases (to revive)," he said after launching the Housing Revival Initiative yesterday.

Kong said the previous and new developers, house buyers and bankers should negotiate and discuss "win-win" solutions for the revival of the abandoned projects such as writing off the loan interest for house buyers. He said the Government would not provide funds for this initiative as it was not right to use tax payers' money for the exercise. However, coming up with the money could be the Government's "last resort only" "should the problem be prolonged further," he added. Under the initiative, corporate organisations are encouraged to undertake the revival of the abandoned housing projects.

**Monday September 14, 2009**

**PKFZ gives Government avenue to curb graft**

KUALA LUMPUR: Developments in the controversial Port Klang Free Zone (PKFZ) project have given the Barisan Nasional Government its best opportunity to walk the talk in wiping out corruption, abuse of power and mismanagement. Former Finance Minister Tun Daim Zain-uddin said this on Saturday in a front page exclusive report in *China Press*. Daim said it was a good move to disclose the PKFZ report by PricewaterhouseCoopers (PwC) as there was nothing to hide.

"The more important aspect is follow-up action; to punish those who flouted the rules. "PKFZ is a good project. But due to a lack of monitoring it has ended up like this today. "The Government can't let the problem remain hanging like this. It should not let those who have done wrong to continue with their actions," he said in calling for stern action to be taken against the culprits. "Only with that can the Barisan Government win back the people's confidence," he added.

Daim said that declaring the PwC report public was an unprecedented move but a good one: "In the past, the people have never witnessed those who abused their power face the music." He noted wryly that as more and more people were making police reports on virtually any problem nowadays, the law was kept busy. While the Government had taken the first step by declaring the PwC report public, Daim said the people were waiting to see the end result – who had flouted the law and who would face the music.

"It has no reason to stop (its probe) and cannot stop at the moment. There should be an answer to all these." Both the Malaysian Anti-Corruption Commission and police, including the Public Accounts Committee, have also stepped in to investigate and it would be best for all of them to come to a conclusion, especially when this involves public funds, he said.

## **Monday September 14, 2009**

### **Ong: Jetty problems will be solved**

PORT KLANG: Villagers of Pulau Ketam and Sungai Lima have been given a reassurance that their decade-old jetty problems will be solved. Transport Minister Datuk Seri Ong Tee Keat said he had the responsibility to help the people regardless of how long the problem had existed. "People's problems should be given priority, regardless of what party they are in," he said during his speech after attending the 60th anniversary dinner of Tang Ua Lian Ghee Siah Association in Sungai Lima here yesterday.

Ong, who is also MCA president, said he had ordered the Marine Department and Port Klang Authority to look into rebuilding a jetty for Pulau Ketam and Sungai Lima. The Kapar MCA division also presented 64 citizenship application forms to Ong to help obtain the necessary approval. Ong said the Government would give the villagers what they needed.

## **Monday September 14, 2009**

### **Redefining Malaysia's growth model**

**Services sector will have to play a more prominent, aggressive role**



WHY are some countries rich while others remain poor? Why are some countries converging and some diverging from the richer nations? More ink has been spilt on these issues than any other in development economics. The Washington Consensus has long deliberated on these issues but to date has not reached a common consensus to explain the divergence and suggest viable policy prescriptions. For analytical convenience, economists have come up with growth models, a simplified representation of an economy, which helps one understand how the economy functions.

These models provide insights into issues that remain uppermost in the minds of policy makers when formulating growth strategies. Malaysia has evolved from a low- to medium-income economy. Post independence, the economy was heavily dependent on primary commodities, namely rubber and tin.

Between 1957 and 1960, agriculture was the largest sector, providing employment for about 58% of the labour force and accounting for about 47% of total output. Rubber alone accounted for over 25% of national income, nearly 30% of employment and about 60% of exports. During the same period, the mining sector, predominantly tin, employed 3% of the labour force and accounted for 25% of exports. With rubber and tin accounting for 85% of total exports, the entire economy was extremely vulnerable to fluctuations in commodity prices.



### **Human capital is the key ingredient in the new growth model**

During the commodity-driven phase between 1957 and 1970, per capita gross national income in nominal terms increased at a low annual rate of 2.4% from RM788 to RM1,070. In addition, there was wide disparity in income and poverty was prevalent. Thus, the Government felt strongly for the need to diversify the economy and reduce dependence on rubber and tin to enhance income and wealth generation. The emphasis was, therefore, on developing other suitable agricultural crops and embarking on downstream manufacturing activities.

That started the industrialisation process in Malaysia beginning in the early 1970s. To promote industrial expansion, special assistance and incentives were provided to new and expanding industrial establishments. To provide a new dimension and intensify the structural shift, the Government introduced the First Industrial Master Plan (IMP, 1986-1995), Malaysia's first industrial blueprint. This plan put together a coherent and structured framework for industrial development with specific targets and timelines. Over the years, concerted efforts were taken to promote and accelerate the expansion of the manufacturing sector.

This was also the time when the Government embarked on an aggressive privatisation strategy with the ultimate aim of reducing the burden on Government in financing development. During the period between 1970 and 1987, per capita gross national income in nominal terms grew rapidly at 8.9% per year increasing from RM1,070 to RM4,537. In 1988, for the first time, the manufacturing sector became the leading growth sector, when its share of gross domestic product rose to 21.1%, surpassing that of agriculture at 18.6%.

This signalled a structural shift from agriculture to a manufacturing based economy. With the successful implementation of the First IMP, the SecondIMP (1996-2005) was introduced to bring about a transformation from assembly-intensive manufacturing to an integrated, industry-wide approach encompassing both manufacturing and related services. To further propel manufacturing and modern services into higher value added and technology driven sectors, the ThirdIMP (2006-2020) was introduced in 2006.

During the period between 1987 and 2008, per capita gross national income increased further by 8.6% per year from RM4,537 to RM25,784. As a result, Malaysia emerged as one of the most dynamic and vibrant economies in the world. Between 1971 and 2008, Malaysia was among the fastest growing countries in the Asean-5 economies. Malaysia's growth rate during this period was more than that of the world economy, even surpassing the advanced economies. Notably, growth was accompanied by low unemployment and inflation.

The input driven model, focusing on the intensification of investments, enabled the economy to leap frog from a low-income to a middle-income nation. We got it right then. We had a winning formula with the right ingredients and we were ahead of the curve among countries in the Asean region. Now, we are at a critical juncture in our economic development path. While the input driven model was successful in transforming the Malaysian economy, there are now signs that export value-added is stagnating and investment by and large, is not contributing to the widening nor deepening of the product mix.

Depending too heavily on the external sector now is no longer an option. It is also not serving to increase domestic value-added through backward and forward linkages. Furthermore, investment is not building research capacity and domestic innovation capability. In addition, companies operating in Malaysia are too dependent on cheap and low-skilled foreign labour, especially in the manufacturing and services sectors. Private companies are still reluctant to innovate and invest in labour saving technology and new production techniques. These conditions have led the our economy into the middle-income trap.

We need to get the economy out of this impasse. We have to re-examine our growth model and adopt one that will enable us to double our per capita income in the next phase of development and join the ranks of high-income economies. Recent growth theories postulate that policies, which embrace openness, competition, change and innovation, will promote growth. Growth strategies formulated under the new economic model must take cognisance of this view.

The world is now more open and integrated. With a small population of 27.7 million, Malaysia's domestic demand is rather limited and our companies must strive to make the world their market. This will enable our companies to benefit from the economies of scale and in turn enable the *rakyat* to consume quality products and services at lower prices.

At the same time, policies need to be put in place to encourage more Malaysian companies to embrace and adopt new ideas, technologies and know-how from the rest of the world. This will enable us to optimise output from existing resources of land, labour and capital. There is no doubt that competition is a vital part of a vibrant economy. Towards this, strategies under the new model must be designed to attract the entry of new firms and encourage the emergence of new industries. Countries that have elevated themselves from middle- to high-income have relied on change and innovation.

Towards this, we need to focus on R&D and applied technology development in niche areas. This will create critical masses of research talent in centres of excellence and generate findings that give rise to technological spillovers for industry. The private sector should complement and supplement efforts of the public sector and subsequently play a pivotal role in generating economic activities and be the engine of growth. We are into this together. The role of the Government shall be limited to facilitating private sector initiatives and in those areas where market conditions fail.

The new economy also requires our companies to re-examine their business models. In conventional models, maximisation of shareholder wealth is seen to be the ultimate. Men's insatiable wants have resulted in companies pursuing wealth at the expense of benefits and well being of the people. Companies should be held responsible for their own actions and/or inactions without Government interference. Such responsible companies will create lasting relationship with customers and stakeholders. Ethics and integrity should be their guiding principles.

Human capital is the key ingredient in the new growth model. As we progress in the new economy, there will be a greater demand for high skilled jobs and if the supply is not available domestically we have to source and pay for such talents elsewhere. This is the challenge for the education institutions in Malaysia. Our schools, skills centres, polytechnics and universities must play a proactive role and expose our students to the state of the art technologies. In addition, our students should be inculcated with good working habits, suitable soft skills and the yearn for continuous improvement. This long-standing issue must be addressed immediately.

In the new model, the services sector will have to play a more prominent and aggressive role in generating economic activities. We have comparative advantage in various services sub-sectors. For example, we are at the forefront of Islamic finance. We are also at the forefront in tourism. Therefore, every effort should be taken to further strengthen and elevate our position. We have the advantage in many other sub-sectors such as education, information and communications technology, and professional services to name a few. If we are successful, the services sector will account for 70% of the nation's gross domestic product as in many developed economies.

We must also bear in mind that we have a responsibility to hand over a healthy and environmentally sustainable Malaysia to our future generation. This is the legacy that we have to fulfil. In this context, the new model should promote those activities that meet the needs of the society without endangering or depleting our natural resources. This requires a high level of consciousness and awareness among economic players to adopt and adapt green technology in their production processes and daily activities. Having said all these, the architecture of the new model must be structured on the two pillars of Malaysia's inherent strengths, namely political stability and racial unity.

The political stability that we continue to enjoy enables us to plan ahead with greater certainty and enhances investors' confidence, both domestic and foreign. We must also continue to build on something that is very dear to us, and that is racial unity. In this



respect, the 1Malaysia concept initiated by our Prime Minister is an avenue through which we can further strengthen solidarity among all Malaysians, irrespective of race, religion or culture. We have to capitalise on these basic fundamental strengths to our full advantage. The transformation of the above thoughts into its physical dimension requires a paradigm shift and a change in mindset. The only constant in life is change and change we must. Again, to quote our Prime Minister: "It is not that we must choose to change – we have no choice but to change".

We have a vision to be a fully developed nation and join the ranks of high-income economies by 2020. We don't have the luxury of time. We need to act fast. When we eventually arrive at our destination, the *rakyat* including our children and grandchildren will be able to share the fruit of our labour. The onus is on us to make it a reality for a better tomorrow.

● *Tan Sri Dr Wan Abdul Aziz Wan Abdullah is the secretary-general of Treasury, Ministry of Finance, Malaysia. He welcomes comments or feedback.*

**Tuesday September 15, 2009**

## **MACC questions former MB**

**By DHARMENDER SINGH**

PUTRAJAYA: Former Selangor Mentri Besar Datuk Seri Dr Mohd Khir Toyo was subjected to a six-hour interview by the Malaysian Anti-Corruption Commission (MACC) over the purchase of a bungalow and the alleged misuse of funds from an association his wife formerly headed. It is learnt that a senior officer interviewed Dr Mohd Khir about the two cases shortly after he arrived at the commission's office here at about 8.30am.

Dr Mohd Khir was believed to have used the basement entrance to enter the office and left at 2.30pm unnoticed by pressmen waiting outside. Deputy director of investigations Sazali Salbi said the commission was investigating Dr Mohd Khir over the purchase of his palatial mansion in Shah Alam's Section 7 as well as alleged misuse of funds from Balkis (Wives of Selangor elected representatives association).

"We will study the content of his statement and pass it to our officers in the legal and prosecution department for further action. "If there is a need for us to call him again, we will do so," he said, adding that Dr Mohd Khir had co-operated with his officers.

The commission started investigating the former mentri besar following allegations made in a blog, as well as that by DAP Sekinchan assemblyman Ng Swee Lim who had claimed that Dr Mohd Khir's house was worth about RM24mil. Dr Mohd Khir has dismissed the valuation. He said he bought the property for RM3mil and has denied any wrongdoing in both cases.

**Tuesday September 15, 2009**

## **RM7b LRT extension**

**By SHARIDAN M. ALI**

### **Prasarana to start construction next year for completion in three years**

KUALA LUMPUR: Syarikat Prasarana Negara Bhd, the state-owned public transport operator, expects to start construction on the extension of its two light rail transit (LRT) lines in the Klang Valley early next year at a total estimated cost of RM7bil. Expected to be completed in three years, the exercise will see the extension of the Kelana Jaya Line and Ampang Line by 17km and 17.7km respectively. Group managing director Datuk Idrose Mohamed said the company had internally generated RM2bil and issued RM2bil Islamic bonds or sukuk to raise funds last week to part finance the project. The RM2bil Islamic bond issuance was reported to be more than three times oversubscribed, with an order book of RM6.6bil.



**Datuk Idrose Mohamed ... 'The various contracts for the project will be awarded via open tender for companies that have been pre-qualified'**

"Our initial intention was to issue a total of RM4bil of Islamic bonds. But now, the remaining RM2bil issuance will be next year or in the course of three years. "This depends on our cashflow requirements and some of the payments will only be issued after the project is completed for defect liability. "Our immediate need is RM2bil for land acquisition and some initial works," he said after a media briefing on the public display of the proposed alignment for the LRT line extensions yesterday. The three-month display starting tomorrow at the Department of Railways, Kuala Lumpur City Hall, Petaling Jaya City Council, Subang Jaya Municipal Council and Shah Alam City Council is to get public feedback on the project.



**Going further The details of the proposed extension to the LRT lines have been made public and 26 new stations will be created as both lines meet in Putra Heights. – Graphic by Rosli Yacob / The Star.**

Alternatively, the public can view and channel feedback on the project via the Department of Railway website. Idrose said Prasarana would publicise the pre-qualification of contractors to participate in the project in the newspapers next month. "The various contracts for the project will be awarded via open tender for companies that have been pre-qualified and at the moment we have neither decided on the number of contractors nor contract packages. "They will only be decided after we consider the response from the public as required by law and the final approval from the Government," he said.

In line with the extension of LRT lines, Prasarana will also embark on fleet (train) expansion. For Ampang LRT, the fleet expansion involves an additional 13 train sets of six cars per set while the Kelana Jaya LRT extension requires 35 more train sets of four cars per set. Idrose said the funds for its the fleet expansion had been raised earlier. Prasarana projected to double its current daily passenger volume with the lines extension. Ampang LRT now has daily passenger volume of 170,000 while Kelana Jaya LRT has 180,000. OSK Investment Bank analyst Jeremy Goh listed four construction companies with the potential of bagging the main contracts due to their experience in LRT.

"The first two are UEM Builders Bhd and IJM Corp Bhd as they have the experience as main contractors of the two existing LRT lines. "IJM Corp wholly-owned subsidiary Road Builder (M) Holdings Bhd also has a bright chance to be involved as IJM Corp had sub-contracted many of the existing LRT works to Road Builder. "Gamuda Bhd is also on the list due to its experience in the construction of Kaohsiung's mass rapid transit in Taiwan. "Malaysian Resources Corp Bhd also has high chances as it was the main contractor for the Kelana Jaya Line in the KL Sentral portion," he said.

Goh said there would "definitely" be a lot of sub-contracts to build the stations or sound barriers that would benefit companies like Mudajaya Group Bhd. He said funding should not be an issue as Prasarana was a state-owned company under Ministry of Finance Inc. AmResearch in its sector report said this latest development validated its earlier stance that domestic contract flows were gaining momentum and reaffirmed its overweight position on the construction sector. "Apart from LRT projects, tenders for the Bakun transmission cable project – estimated to cost RM10bil – could be out by the first quarter next year," said the report.

Master Builders Association Malaysia president Ng Kee Leen said the RM7bil project was great news for the construction sector that had suffered from fewer projects awarded in the first half of this year. "It is good for the sector to be involved in the improvement of our transportation system. And there should be more transportation projects for the betterment of our public transportation system. "The third and fourth quarters should chart better industry growth than the first half year, and next year should be better as we are seeing more construction projects coming in. "Among the big projects are the low-cost carrier terminal, dam projects such as in Terengganu and Penang as well as works in the Eastern Corridor Economic Region," he said.

**Tuesday September 15, 2009**

## **Thousands to benefit from LRT extension**

**By BAVANI M**

THOUSANDS of Klang Valley residents will benefit from the proposed extension to the Kelana Jaya and Ampang LRT lines. Transport company Syarikat Prasarana Negara Bhd group managing director Datuk Idrose Mohamed, who revealed details of the project yesterday, said the proposed extension were the most cost effective and well-thought out alignments that would serve the needs of the community.

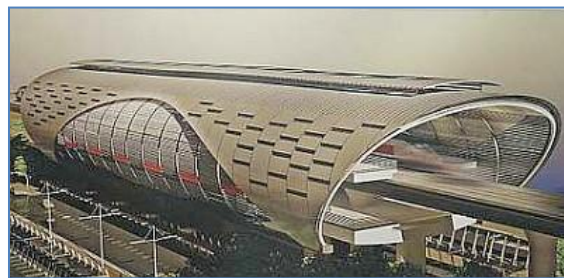


**Innovative designs: Idrose showing some of the proposed plans for the new stations.**

“The routes cover densely populated areas in the Klang Valley such as Subang Jaya and Puchong and it balances the need of the majority of the population in those particular areas,” Idrose said. He added that the current capacity for the Kelana Jaya line was 180,000, while the Ampang line was 170,000. According to Idrose, the Ampang line is only 70% utilised. With the new lines, Prasarana is confident that more people will opt to using public transport.

Idrose said the Ampang LRT extension would cover 17.7km, and start from the Sri Petaling Station, passing through areas like Bukit OUG, the Bukit Jalil Golf and Country Club, and into Puchong before ending at Putra Heights. It will have 13 new stations. “There will be seven stations with park and ride facilities, six of which will be developed as multi-storey car park complexes,” he said.

The Kelana Jaya LRT extension starts from the Kelana Jaya station, passing through Subang Jaya and USJ, before ending at Putra Heights. It covers 17km with 13 stations. The line will also have five stations with park and ride facilities.



**Futuristic: An artist's impression of one of the new station's on the line.**

The stations will be equipped with lifts, escalators, public telephones, surau, and toilets. It will also be disabled friendly with facilities for ramps, lifts, low ticket counters and special toilets. Prasarana will display the proposed extension and alignment of the two LRT lines, as well as the facilities provided at the stations for three months starting today until Dec 14. Members of the public are invited to give their feedback on the proposed lines at the locations. Idrose said once they had received feedback from the public, the company would then consider all the options to cater to the people living in the community. "I hope that the feedback we get will be positive and there will only be minimal changes to the proposed lines," Idrose added.

The 35km of lines, which are estimated to cost about RM7bil, will be elevated and are expected to be ready by 2012. Idrose also said Prasarana would add another 35 four-car trains to the Kelana Jaya line, which now has 35 two-car trains. He also said another 12 to 14 six-car trains would be added to the 30 now serving the Ampang line.

The proposal will be on display at:

Department of Railways (Ministry of Transport) ,13th Floor, Menara dayabumi. ,Jalan Sultan Hishamuddin, 50050, Kuala Lumpur.

Dewan Bandaraya Kuala Lumpur, Ground Floor,Menara DBKL 2, Jalan Raja Laut, 50350 Kuala Lumpur.

Majlis Bandaraya Petaling Jaya, Lobi Menara MBPJ, Jalan Tengah, 46200 Petaling Jaya.

Majlis Perbandaran Subang Jaya, Level 1, Persiaran Perpaduan USJ5, 47610 Subang Jaya.

Majlis Bandaraya Shah Alam, Lobby A, Wisma MBSA, Persiaran Perbandaran, 40000 Shah Alam.

\* Display hours are from Mon to Fri from 9am to 5pm. It is closed on Saturday, Sunday and public holidays.

Comments and objections should be in writing and submitted to the Department of Railways director general's office before Dec 14. For details call 03-2278 1222 or long on to [www.dor.gov.my](http://www.dor.gov.my).

## **Wednesday September 16, 2009**

### **Business - Malaysia has stimulus flexibility into 2010**

PARIS: Malaysia has room to press ahead with economic stimulus measures this year and next given sound levels of government debt and the need to counter the global crisis, according to Bank Negara governor Tan Sri Dr Zeti Akhtar Aziz. Asked about the bank's recommendations to rein in the country's budget deficit, officially expected to hit 7.6% of gross domestic product (GDP) this year, she told *Reuters*:

“This is a period where the fiscal stimulus is still important.” Speaking on the sidelines of an event, Zeti added: “Any premature exit from the fiscal stimulus would affect the sustainability of the recovery that we are seeing now and Malaysia has the potential to continue with the stimulus for 2009 and 2010.” While fiscal discipline was important, Zeti said government debt was still within prudential levels, allowing stimulus steps in 2009 and continuing next year, “if necessary.” “But it is always important to exercise fiscal discipline and to maximise the potential for the high impact, high multiplier expenditure,” she added.

Zeti declined comment on central bank projections for the size of the budget deficit in 2010 and expectations for bond issuance on a net and gross basis next year. The budget shortfall of 7.6% of GDP forecast by the Government for this year would be the biggest since 1987. Zeti said steps to exit supportive stimulus measures would tend to be conducted on an individual country basis in the Asian region although information would be shared amongst a number of countries. Turning to consumer price trends, she said that recent declines were no sign of damage to consumer demand.

“Consumer demand is gaining momentum and, in the second quarter, we saw a recovery of small positive growth,” she said, adding she expected this to persist into the second half 2009. Price declines did not give rise to concern given that they were largely due to a lingering base effect from last year when petroleum and commodity prices spiked, she said. “We believe, going into the subsequent months of this year, that inflation will turn positive but it will remain low.” Analysts polled by *Reuters* expect Malaysia’s consumer price index to have fallen for a third straight month in August. The consumer price data is due out today. – Reuters.

## **Wednesday September 16, 2009**

### **Fair value accounting unfair?**

**BUSINESS MATTERS By STEPHEN OONG**

FAIR value accounting has been the subject of intense scrutiny and debate in the uncertainty of the current economic times. Under such conditions, the fair values of certain assets and liabilities are more volatile, causing the income statements of some companies to be more volatile too. Certain quarters are of the view that fair value accounting is the main culprit behind the poor performance of many of the worst affected companies. Or is fair value accounting a mere bearer of the bad news?

Fair value accounting is a financial measurement methodology whereby companies are permitted or required to measure certain assets and liabilities at fair value or market value. Under fair value accounting, companies report losses when the fair values of their assets decrease or liabilities increase. The gains or losses are reflected directly in the income statements or sometimes in the statement of equity changes. Companies in Malaysia are very familiar and comfortable with using fair value accounting.

For many years, Malaysian companies have been applying fair value accounting in the measurement of certain permissible items and transactions in their financial statements. Such applications are allowed for by our Malaysian accounting standards. Why then the sudden spate of criticism on fair value accounting? Could it be that fair value accounting is not fair? Fair value accounting is accused of being pro-cyclical. In periods of growth and during downturns, fair value accounting accentuates the volatility of the financial statements. When assets are measured at their respective fair values, rising or falling values will be reflected in the financial statements of the company and such swings could move in a cyclical fashion. Fair value accounting appears harsh when prices are going down; yet no one complains when asset values are rising.

However, fair value accounting is merely reporting and reflecting the outcomes of market forces at play, not causing them. When market conditions result in volatility in values and earnings, users of financial statements benefit when companies transparently report these circumstances and their impact on financial reporting. Users of financial statements would like to know the financial position of a company based on its current value rather than some old historical costs. Although the information contained in the balance sheet is reliable (because it is based on verifiable historical costs) and not subjective, it is irrelevant, and accordingly not useful, for decision-making purposes.

Assets acquired years ago and newly-acquired assets do not have the same costs and hence have different carrying values, even though their respective current values may be the same. To account for such assets in the financial statements of different entities at their respective historical costs would make comparisons between companies almost impossible. Historical cost information for assets has no economic relevance to the buy, sell, hold decisions that management must make each day. However, making economic decisions using fair values may also be inappropriate because the fair values used may not be reliable, but at least they may not be totally wrong all the time.

The support for the use of the fair value approach is principally grounded on relevance. The adoption of fair value as the primary basis of measurement should be tested explicitly against the four attributes that make information in financial statements useful to users: understandability, relevance, reliability and comparability. However, information needs to pass a reliability threshold before it can be considered relevant. In this respect, fair values based on prices quoted in an active market will pass both the reliability and relevance attributes. However, a source of discomfort among the fair value dissenters is when assets and liabilities are not quoted in an active market; or when there are infrequent or no transactions for the kind of assets or liabilities held by the entity.

Under FRS, in such illiquid market situations, companies are to use adjusted mark-to-market measurements based on observable market prices for similar assets and liabilities. Where such market observable data is not available, FRS suggests the use of acceptable valuation models to estimate fair value (mark-to-model measurement). Such adjusted mark-to-market and mark-to-model basis of determining fair value is what users of financial information are not comfortable with. In any adjusted mark-to-market models and valuation models, the output is only as relevant and reliable as the input.

Because the assets are in an illiquid market, input using market observable data is hard to come by. Companies would therefore have to rely heavily on the estimation of future cash flows and to use input based on non-observable best estimates and best judgments. So can valuations that are not independently verifiable be considered reliable? And is information that is not reliable relevant in the world of financial reporting? Under such circumstances, the financial statements produced using fair values may be more relevant (vis-à-vis historical costs) but one cannot be so sure about its reliability either. Relevance and reliability are the two key attributes of financial reports that are useful to readers.

However, these attributes could be compromised by the use of adjusted mark-to-market and mark-to-model calculated fair values. That is why it is important that companies make adequate and robust disclosures in their financial statements as to the valuation processes and methods used in determining fair values, what the significant estimates are and the assumptions used as inputs. The balance sheet prepared using fair value as a basis of measurement gives a better reflection of the actual worth of the company. Until and unless another better basis of accounting measurement can be identified, fair value accounting is still the fairest option available.

- *The writer is a partner with Ernst & Young.*

**Wednesday September 16, 2009**

## **Proposed Mada plan for canal to cost RM1bil**

**By EMBUN MAJID**

THE Muda Agriculture Development Authority (Mada) is preparing a working paper for the construction of northern and southern diversions of the Mada water canal to allow easy access of water for the farmers and to control floods. Deputy Agriculture and Agro-Based Industry Minister Datuk Mohd Johari Baharum said the project would cover all Mada areas in Perlis and Kedah. "The project will cost about RM1bil. "Mada is still compiling data for the working paper," he told newsmen after presenting aid totalling RM6.3mil to 5,821 Mada farmers who suffered losses due to floods in October last year. He hoped the project would be included in the 10th Malaysia Plan.



**RM6.3m for Mada farmers: (Front, from second left) Mahdzir, Mohd Johari and Abdul Rahim together with recipients of the flood aid holding their respective mock cheques at Mada Kepala Batas in Alor Setar yesterday.**



Among those present at the function were Mada chairman Datuk Seri Mahdzir Khalid and Mada general manager Datuk Abdul Rahim Salleh. Mada paid RM573 for each hectare of damage plot. Mohd Johari said Mada areas had been hit by floods six times between 2003 and this year. He said as short-term measure to reduce the flood impact, Mada had been deepening its water canals. Mohd Johari said Mada needed to have its own rice mill to strengthen the agency as the major rice producer in the country.

## **Wednesday September 16, 2009**

### **Risda keen on setting up institute for entrepreneurs**

BUTTERWORTH: The Rubber Industry Smallholders Development Authority (Risda) plans to set up an institute to churn out rubber and oil palm entrepreneurs to boost its Key Performance Index (KPI). Chairman Tan Sri Abdul Rahim Thamby Chik said the institute might be placed under the organisation's Kolej Risda. "We recently opened an Entrepreneur Department within Risda to help handle matters pertaining to entrepreneur development. "We want to ensure those with potential receive necessary aid from us to eventually become independent entrepreneurs," he said after presenting dividends to participants of Risda's new cluster replanting plan (RTBB) and commercial replanting (TSK) from Penang and Kedah at Sungai Dua's Dewan Besar here yesterday.

## **Thursday September 17, 2009**

### **Views on LRT project sought**

KUALA LUMPUR: A lot of emphasis will be put into hearing the concerns and needs of the people before embarking on the light rail transit (LRT) extension project, said Transport Minister Datuk Seri Ong Tee Keat. Writing in his blog yesterday, Ong said he had attended a town hall meeting in Subang Jaya on July 25 to listen to feedback, suggestions and comments from residents affected by the LRT extension project. Among the concerns raised during the meeting were noise pollution, traffic congestion, proximity to homes and facilities for the physically disabled, he added. "I am pleased that Syarikat Prasarana Negara Berhad (Prasarana) has addressed all of them in their plans. "The LRT extension is meant to serve the people, and it stands to reason that we must listen to the voice of the people first to ensure the success of the project.

"A study is also ongoing to look into the best option to serve Bandar Sunway and its people, including the sizeable student community there," he said. The proposed alignment of the LRT extension will not pass through Bandar Sunway although it will go through Subang Jaya. Ong said for those who missed the town hall meeting, it was still not too late for them to view the public display of Prasarana's proposed LRT extension alignment and "make their voices count".

They, he added, could voice their feedback by checking out [www.dor.gov.my](http://www.dor.gov.my) or visit the five locations where the alignment was being displayed. Ong said he hoped to organise more town hall meetings to help his ministry craft more people-friendly and effective policies. "It is also fun to roll up our sleeves to meet the people," he said.

**Thursday September 17, 2009**

## **Builders keen on LRT extension job**

**By YVONNE TAN**

PETALING JAYA: Industry players in the country are looking forward to being part of state transport firm Syarikat Prasarana Negara Bhd's extension plans for the Kelana Jaya and Ampang Light Rail Transit (LRT) lines estimated to cost RM7bil. "It's certainly a large order for the construction industry and we would like to see how we can participate," Malaysian Resources Corp Bhd (MRCB) group managing director Shahril Ridza Ridzuan told *StarBiz* yesterday. The extensions, expected to be completed in three years, would "add more lines" to the current rail transport system in the city, helping to build up passenger traffic, he said.

Scomi group senior vice-president V. Kanesan said the company was keen to be a part of the mega project. "We've got the experience and the capability and are keen to participate," he said. Both companies, expected to be frontrunners for the jobs, have expertise in LRT-related projects. MRCB has developed the KL Sentral transportation hub and Scomi has been involved in the KL monorail project and more recently, in a monorail job in Mumbai, India, worth RM1.8bil of which, its portion is RM785mil.

Scomi's unit, Scomi Engineering Bhd, is also no stranger to Prasarana, having supplied the latter with coaches it made for use in the Klang Valley and Penang. A Gamuda Bhd spokesman said the company was "definitely interested" but stopped short of revealing whether the outfit, known for its "tunnelling expertise", was a pre-qualified candidate for the LRT projects. At this point, it is still unclear whether Prasarana, a wholly-owned unit of the Ministry of Finance Inc, will award the entire project to one company or a consortium of companies, which will later subcontract the works to third parties or dish out the jobs directly to different companies.

Apart from the three companies, other potential key beneficiaries of the RM7bil, 34.7km project include IJM Corp Bhd, which was involved in the existing Ampang/Kelana Jaya and KL monorail lines as the main civil sub-contractor, as well as other big boys like UEM Builders Bhd and WCT Bhd. On Monday, Prasarana - the owner and operator of the existing LRT system in the country - released the long-awaited details of the city's LRT upgrade project. Of the RM7bil, about RM2bil would be used for land acquisition, according to reports. The scope of work should entail the construction of tracks and stations, a depot, car parks, the purchase of new train sets, signalling, communications, power supply and automatic fare collections systems, according to an AmResearch report.

Prasarana is expected to call for the pre-qualification tenders next month and analysts are expecting the first award for civil works in the first quarter of next year. Foreign research house Credit Suisse said in a Sept 14 note that the rollout of this project was the next major catalyst for upward re-rating of the construction sector in the country.