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Conduct full probe

The RM4.6 billion Port Klang Free Zone (PKFZ) warrants a full-scale enquiry. For the past two months, there has been ample news on how several individuals acquired a piece of land at RM3 psf in 1999 from a cooperative and later attempted to inject it into their listed company — Wijaya Baru Global Bhd — in return for shares.

The Securities Commission rejected the deal because the price was too high but the Port Klang Authority (PKA) acquired the land at RM25 psf, to be paid for in deferred payments. Even at the time, the valuation was questioned by *The Edge* because if the SC, a government entity, had rejected it as too high, how could the PKA, another arm of the government, accept it?

Also in question was PKA's capacity to undertake a project of such size.

But the promoters, Wijaya Baru, countered the critics by saying that Jebel Ali Free Zone, which was mandated to manage the free zone, had a string of companies waiting to set up office in the PKFZ, taking up all the factory space. But nothing happened and Jebel Ali has since left the scene.

The project started off with an estimated total cost of less than RM2.5 billion but now this has escalated to RM4.6 billion. And to make things worse, the PKA is in no position to meet its debt obligations and is also unable to manage the project. The government has been left holding the bill because it gave an undertaking that it would meet the PKA's debt obligations to bond holders. If this does not warrant a full-scale enquiry, what does?