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Port Klang Free Zone

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PETALING JAYA: Despite spending more than three hours visiting the Port Klang Free Zone (PKFZ) yesterday, the Public Accounts Committee (PAC) emerged with two questions unanswered in the course of its inquiry into the RM4.6 billion project.

Foremost in the mind of the committee is why a 20% provision for cost over-run of the overall RM2.8 billion development project had been included at the beginning of the project, said its chairman, Datuk Shahrir Abdul Samad, who led a team of six PAC members to visit the project.

"The question is the actual cost of the project. Why was there a provision in the PKFZ development project catering to a cost over-run?" he asked.

"We are curious about this 20% provision – that this has been factored into the RM2.8 billion development budget cost."

He said the PAC is awaiting feedback from the Port Klang Authority (PKA), Finance Ministry, Transport Ministry and other government agencies.

The second unanswered question is on the legal issue surrounding the decision to purchase the land for the project instead of getting it through the Land Acquisition Act.

Shahrir said the committee will meet with the attorney-general at their next meeting, likely to take place during the current Dewan Rakyat session, which resumes on Monday.

The PKFZ fiasco came to public attention when Jebel Ali Free Zone Authority (Jafza) pulled out from managing the free zone and it was revealed that the initial cost of the entire

Shahrir (second from left), accompanied by PAC members (from left) Kota Melaka MP Wong Nai Chee, Segambut MP Datuk Dr Tan Kee Kwong, Ipoh Barat MP M. Kulasegaran and Sri Aman MP Jimmy Donald, during the visit to the PKFZ yesterday.



project of RM1.8 billion had suddenly ballooned to RM4.6 billion.

Apart from the working visit to PKFZ yesterday, the PAC had met twice before – on Sept 6 and 25 – to look into the issue.

Earlier, the PAC members were briefed at the PKFZ headquarters by its general manager (business development), Chia Kon Leong.

Shahrir said the notion that the PAC is on a witchhunt to find faults with public projects such as the PKFZ is not true.

He said it was the duty and responsibility of the PAC to inquire and make findings into public projects as it was also part of the government system.

On the visit yesterday, Shahrir said the PAC was satisfied with the briefing. He said it had been told the portions of the project yet to be completed – the main access road, hotel and an exhibition centre – were expected to be ready by year-end.

As to when the PAC would be able to complete its findings on the PKFZ, Shahrir said it would table its report after it had completed its task.