

Press Statement by YB Teresa Kok, MP for Seputeh, Former Minister of Primary Industries dated May 25, 2020:

Rubber Board RM100 million splurge on new tech centre signals Return to dark days of GLCs run by political appointees

1. Prime Minister Tan Sri Muhyiddin Yassin has rightly drawn much flak from Malaysians over his move to 'buy' the loyalty of MPs by rewarding them with top positions in GLCs, with their numbers now at record levels, along with his bloated Cabinet of 70 ministers and deputy ministers. As such, I will not comment further on the matter.

2. However, as the former Minister of Primary Industries I must voice my strongest objection to Malaysian Rubber Board (MRB) chairman, Datuk Ahmad Nazlan Idris' announcement that a RM100 million ringgit Rubber Technology Centre (RTC) will be built in Jerantut Pahang – where he is a two term Member of Parliament from UMNO.

3. Ahmad Nazlan was only appointed as MRB chairman about a month ago but appeared to have worked at warp speed to obtain the necessarily approvals to spend RM100 million of public funds for a mega project in his parliamentary constituency.

4. As the saying goes 'history repeats itself', because another previous MRB Chairman, an UMNO MP for Jasin Datuk Wira Ahmad Hamzah did the same by ordering an unnecessary 44 million ringgit project in his constituency in 2010 in Jasin Melaka which has turned out to be an unsalvageable white elephant and has been and still is bleeding millions of Ringgit exceeding the original cost. This project still remains uncompleted.

5. There are similar bad examples of unwarranted and wasteful projects sanctioned by the previous BN govt appointed Boards years ago, under the guise of so called model rubber technology and processing schemes such as Rubber Research Institute of Malaysia Mini Stations (Rriminis) all over Malaysia and rubber integrated processing complex (IPC) a few years ago at Kota Tinggi Johor, which has swallowed up to RM 130 over million of federal govt funds and MRB reserve funds.

Till date, they are still bleeding and leaking public funds and the biggest of the white elephant the IPC in Kota Tinggi is still fraught with endless construction delays and etc. These are clearly unnecessary and a wasteful projects in the first place. It is still swallowing up public funds as the construction is not completed. It is still a drain on public resources, and public funds are still being channelled to it.

6. No cost benefit analysis, as prudence requires, appears to have been done and if done, the justifications were not based on sound socio economic basis. The politician chairmen and their political appointees on the boards then have been known to blatantly ignore the views of management.

7. Despite the country's economy moving into deep crisis and heading into recession and Malaysia remaining in partial lock down struggling to grapple with Covid-19 infections, Ahmad Nazlan appeared to have Muhyiddin's ear in approving a non essential multi-million ringgit

project in his parliament constituency, when clearly the Perikatan's government priorities should be elsewhere.

8. As such, I strongly urge Muhyiddin to explain if he is aware about this mammoth RTC project which is to be built in the parliamentary constituency of the MRB chairman he endorsed.

9. As the former minister in charge of MRB, I must categorically state that the proposed RTC in Jerantut is entirely a new project under the Perikatan government and poses serious questions on why it is needed altogether, especially at a time when public funds must be prudently utilised. I ordered an immediate moratorium during my time when I was briefed by the previous board of the colossal mismanagement of funds and assets of the MRB by the previous BN government appointed Board. As such, my appointed Board managed to plug much of the leakage and practised prudent management, and as a result saved about RM50 million in the 20 months in the annual operating budget.

10. The speed in which the project was announced raises many questions. There are many layers of proposals and studies that must be done at even at the MRB level before a project of this size can be approved by the board. The previous PH govt. through MOF and my Ministry have reset and imposed much stricter procedures before any big projects are given approvals. This will take more than 1 year at least. I am sure the Board could not have done all the necessary studies to justify spending RM100 million for the RTC in such a short time. Clearly, all fiduciary and Mof procedures have been violated in this case.

11. I must point out that Malaysia already has several full operational rubber technology and research centres in Sg Buluh (formerly Rubber Research Institute of Malaysia (RRIM)), the Tun Abdul Razak Research Centre in England and in Kota Tinggi, Johor Baru.

12. All these centres are turning in top quality work and they are operating at optimal levels and have some levels of excess capacity now, as such there is no pressing need whatsoever for another research centre for now, at least given the present economic conditions, especially when public funds are urgently needed to cater for the immediate and pressing needs of the rakyat, including rubber smallholders.

13. In my 18 months at the ministry, I came to greatly admire the team of agricultural scientists in MRB led by Director-General Dato Zairossani Mohd Nor. Together they have made many world-class innovations to boost the rubber industry as a whole, as well as improving the livelihood of our smallholders. Our downstream industry is also very successful and we are top exporters of rubber gloves and certain rubber-based products including medical equipment.

14. As such, MRB funds should not be ploughed into the construction of another research facility when clearly the country has enough such centres. Simply put, there is no need to build a RTC in Jerantut or anywhere for now, unless there is a clear political reason for its location and there is little or no basis to justify its actual need.

15. Instead, it will be better for Ahmad Nazlan to look into the need to upgrade the existing research facilities in Sg Buloh and boost their manpower and expertise to advance new innovations. The MRB owns huge tracts of land in Sg Buloh and other parts of the Klang Valley to achieve this. While Ahmad Nazlan may be seeking to woo voters by having a new RTC built in his constituency, using the rakyat funds, national interest must take priority his own political interests.

16. By using public funds for a mega project in his constituency, Ahmad Nazlan has shown why Malaysians are against unbridled political appointments for GLCs and other public entities. There are many examples to justify public fear that these politicians will use the GLCs to further their political agenda in one way or another.

17. This is the reason why the Pakatan Harapan government had kept the appointments of politicians in GLCs to the minimum, at numbers that are certainly much lower than what we are seeing now.

18. Prior to the power grab by Perikatan, I was fortunate to work with a dedicated set of officers at the MRB. We spent the last 18 months improving MRB operations, cutting excessive expenditure and spending funds judiciously. As a result MRB became self sufficient and did not require funding from Putrajaya. Under Pakatan, the MRB could operate efficiently, mainly by using interest generated from the RM1.5 billion it had in fixed deposits.

19. We operated efficiently but comfortably. The MRB did not bleed nor was it dependent on federal funds. We were independent and were moving in the right fiscal direction.

20. From Ahmad Nazlan's statement, I fear that 'vultures' are now back to drain the MRB's FD reserves. Drawing down RM100 million for a needless project could be the start of treating MRB and other GLCs as cash cows for them to milk for their narrow political agenda which is far removed from the interests of the rakyat.

21. This is exactly what we and the rakyat feared when Muhyiddin 'surrendered' lucrative GLCs to politicians, especially MPs to keep his hold on power. However little does he realise that this will eventually lead to the destruction of the nation's economy while a few are enriched.

22. Sometimes I wonder if these appointments are to siphon off funds in this manner to build the war chests by the respective parties to be ready to buy power in GE15. All right thinking Malaysians must stand up and stop these kind of abuses. The PM and Finance Minister owe the people an explanation on the speed at which such huge projects seem to be taking off at this inopportune time.

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