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The Prime Minister, Datuk Seri Najib Abdul Razak has announced in his inaugural budget speech on 23 October, “a second wave of privatisation” on the pretext of reducing government expenditure. There was then an immediate fear of a return to the glorious days of old where billions of privatisation projects were dished out to people who were connected, or who were acting on behalf of the country's political elite.

It took no more than a month for the fears to come true as among the first of these privatisation projects by the Government was the [construction of Malaysia's largest convention centre](#) by the Ministry of International Trade and Industry (MITI) with a gross development value (GDV) of RM15 billion. This project was awarded to Naza TTDI Sdn Bhd via direct negotiations, and in exchange, the company was 2.8 million sq ft of prime land near Mont Kiara worth some RM628 million.

[Naza TTDI](#) made RM86 million in profits last year on revenue of RM239 million. Formerly

known as TTDI Development Sdn Bhd, it had to be bailed out by Danaharta in 2001 before it got acquired by the late Tan Sri Nasimuddin Amin, the founder of the Naza Group famous for its automotive trading business. The question is, on what basis was Naza awarded this new mega-project, especially given the fact that there are many other equally, if not bigger and more competent and experienced construction companies and property developers in the Malaysian market?

The late [Tan Sri Nasimuddin Amin](#) was infamous for being one of the 4 “AP Kings” who monopolised the issuance of “approved permits” from MITI to import foreign cars into Malaysia and made hundreds of millions, if as a result when the scandal was first exposed in 2005. It appears that today his sons who has taken over the Group has continued the cozy relationship with MITI to be awarded the mega “Matrade Convention Centre” without any competitive tender.

This award flies in the face of what Datuk Seri Najib has promised us first, when he was newly appointed the Finance Minister in November 2008, and confirmed again, after he became the Prime Minister in April 2009 a commitment to the “open tender” system.

It was [reported](#) in The Star, 5 November 2008:

Open tenders to ensure transparency and value for money as well as to generate more income will be the way forward for the Government. Deputy Prime Minister Datuk Seri Najib Tun Razak said the Government would ensure that a large portion of government procurement would be via open and restricted tenders... Najib said that the Government planned to maximise income on all its existing assets, including on parcels of land that have not been developed, via open tender. It was [reported](#) in The Star, 21 April 2009:

[Najib] said this method [direct negotiations] of awarding contracts should be replaced with open or restricted tenders. “Opting for the tender system will curb corruption and bring back the people’s confidence in the Government.” When I [posed the above questions](#) to the Deputy Finance Minister, Datuk Seri Awang Adek on Thursday last week during the committee stage debate on the Ministry of Finance, on why this project was not awarded via open tender, he could only reply that he's not aware of the project as this is a “privatisation exercise” which falls under the office of the Prime Minister, and directed that I enquire with the PM's Department instead.

We have also been informed via reliable sources that the next similar privatisation project will involve 6.5 million sq ft (150 acres) of land at Jalan Cochrane to an MRCB joint venture with an estimated GDV of RM15 billion.

Hence it appears that the Prime Minister has failed to heed his own advice in the privatisation of the above mega-projects, directly failing his own “key performance index” (KPI) in promoting integrity and curbing corruption. This is also the likely reason why there was a total silence of the concept of “open tender” in the Budget 2010 announcement despite its critical role in bring about better governance in Malaysia.

We call upon Datuk Seri Najib to re-tender the above projects to select the best contractor or

developer who could provide the highest level of services at the lowest possible price in the shortest possible time to ensure that the interest of the Government is fully protected. Failing which, we demand that all ministerial papers relating to the above projects be declassified and tabled in parliament to proof that all necessary due diligence has been conducted with no inflated cost to the government or inflated profits to the concessionaire.

We must prevent another episode of the Port Klang Free Zone (PKFZ) which was a privatisation project via direct negotiations mired with incompetence, abuse of power and wanton recklessness, resulting not only in the Government purchasing land worth RM10 per sq ft at RM42 psf, and the project cost escalating from an initial RM1.8 billion to a potential RM12.5 billion all within 7 years.

If the Prime Minister cannot even commit to his own promises to the people on a straightforward issue of open tenders to uphold integrity and transparency, then it'll certainly be harder for him to fulfil his other promises to the people under the slogan of "people first, performance now