

Cartel factor in Sabah projects

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By: David Thien

Kota Kinabalu: The involvement of project cartels in many big construction projects in Sabah has led to numerous problems for local professionals and contractors.

Such projects were actually not done by the people who are supposed to do it.

The presence of these cartels, which have good political connections and are very well-versed in how to get project tenders in the federal capital, has worsened the construction situation.

This was revealed by architect Ar. Rizal Ahmad Banjar at the recent NGO Sabar – Kopitiam Council “Sabah Voices to Action” Episode 6 podcast recently hosted by talk show stars Adi and Haffisz on “Infrastructure & Housing: From the Eyes of the Professionals” with water industry supply resource expert Datuk Ir. Ts. Dr Amarjit Singh.

According to Ar. Rizal, monopolistic construction cartels are affecting local contractors and professionals as they corner government construction contracts from A to Z impacting the proper implementation of major projects with funds flowing outside Sabah and which do not trickle back to Sabah.

“That’s the sad part of it,” Ar. Rizal said, stressing that such systemic monopoly does not help to build up local contractors and professionals as they get peanuts in income profit, “or don’t get at all.”

Ar. Rizal said at the end of it, “We are not getting what we are supposed to get.”

This led to a situation where the local contractors and professionals have little financial resources to build up their capacity to compete with the bigger competition from elsewhere.

Datuk Ir. Ts. Dr Amarjit said ultimately, “Vitamin M, the dollars and cents matter. If you have enough resources, if you have enough financial aid, anything can be built in Sabah. Even a nuclear power station.”

Dr Amarjit agreed with Ar. Rizal that project contracts should be awarded to people who do the actual work.

“We are giving the work not to the right persons. We need to have the right people doing the right things, as in a meritocracy.”

He believes that funding being an issue is hampering the current infrastructure development, saying that having lived in Kuala Lumpur, there are multi-storey flyovers up to three to four levels but here in Sabah it is only at one level.

“So, all the monies need to be brought back to develop our state.”

“We will always need professionals. There will never be enough professionals in Sabah,” he said, adding that if in the case of Sabah, aiming to go into electronics export, then there is a need for more electronic engineers as an example.

“Anybody can become a contractor nowadays. Anybody can do any work nowadays. If you go back 40 or 50 years, for example, if you are a musician, I will only hire you as a musician, I will not ask you to do any cooking for me.

“Now, as we progress, we have this philosophy of ‘semua boleh’. You don’t get the road engineer to do water works,” Dr Amajit opined.

He said in Sabah, the water system comes in three phases.

“The first phase is the production. Next you have the operation, and last you have the billing. Production is where you have the structure where your infrastructure sits.”

“They operate, produce water. Then water is channelled and is purveyed to customers and you people are all billed. I hope you pay your bills in order to have the production, you need the source.

“Sources in Malaysia actually 95 per cent comes from the rivers. Sabah’s context, yes, 95 per cent comes from rivers.

“We only have six dams in Sabah. The famous is the Babagon Dam in Penampang. There is one off river storage near the Talibong 2 treatment plant.”

He noted that there were a lot of objections by people including university professors, on building dams like the proposed Papar dam and before that was the Kaiduan dam.

“Villagers unwilling to lose their heritage lands which will be inundated in the waters of the dams. So, dams off river and in the sea may be the alternative.

Dr Amajit said when he was in primary school, he learnt that Sabah was not affected by earthquakes, which now is considered prone to earthquakes which may impact dams in certain locations.

“The issue is whether we have enough source, or whether we have enough infrastructure, or whether we have enough pipelines, and last but not least is the billing.

“NRW, the definition of Non-Revenue Water is whatever is actually produced and whatever is billed. You minus these two and you divide by what is produced. In Sabah, the NRW is more than 60 per cent,” Dr Amarjit said.

Ar. Rizal called for a sustainable rainwater harvesting system and a big central water tank storage system for every housing estate to be provided by the property developer with incentives to be provided by the government to complement the public water supply system.

Dr Amarjit said in every housing estate in Kuala Lumpur, there is such a big balancing tank or whatever you want to call it to complement the public water supply system.

He called for such a system to be implemented in Sabah.

He revealed that the largest water treatment plant in Sabah is only having a capacity of 180 million litres a day.

Dr Amarjit said in the case of the Selangor water supply authority, the first water treatment plant was 900 million litres a day. The second one was 950 million litres a day. The third one was 800 million litres a day.

“But in Sabah we go for small-scale development.”

“We are always trying to promote enough storage. Rather than building upstream dams, why don’t we build water dams in the sea?

“China has done it to serve a population of about 12 million. Whenever we have additional rainfall – 2500 mm per year flowing into the river to the sea. Why don’t we tap it just before it enters the sea?”

Dr Amarjit opined that illegal tapping is not the main cause of NRW.

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"Sabah Voices to Action - Shaping Sabah's Future Together" is a citizen-driven, non-partisan initiative running from March to June 2025, dedicated to amplifying Sabahans' voices, fostering meaningful discussions, and shaping policies on education, healthcare, public infrastructure, and good governance.

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Together, we can build a stronger, more inclusive Sabah!

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From left - Adi, Ar. Rizal, Dr. Amarjit and Hafiz.

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Register workers for Perkeso by May 31 or face action

KUALA LUMPUR: Employers who have yet to register their workers under the Social Security Organisation (Perkeso) and have outstanding contributions are given until May 31 to do so, says Human Resources Minister Steven Sim.

He said that with the extension of the Perkeso Amnesty Month, errant employers will be exempted from compounds, legal action and late payment interest fees (FCLB) until May 31. "Since the announcement of amnesty month this year, there has been an increase of 40pc of employers registering for Perkeso compared to the same period last year."

"A total of 8,234 employers and 61,746 workers have registered, including 46,094 locals and 15,652 foreign workers."

"Exemption has been given for 913 FCLB notices issued under the Social Security Act 1969 and Employment Insurance Act 2017 involving 433 new employer registrations amounting to RM226,980," he told a press conference here yesterday.

Sim also announced that employers who have already registered with PERKESO could also enjoy a 50pc discount on FCLB this month.

"This covers 215,172 employers who still have outstanding FCLB under the above two Acts, amounting to RM100mil," he added.

He urged employers who have yet to register or make PERKESO contributions for their workers to come forward during the amnesty month to avoid legal action.

"After May 31, there will be no mercy (for the employers)," he added. It was announced earlier this year that Perkeso had given employers a