

Hishammuddin: Additional allocation for LCS possible [NSTTV]

By Mohamed Basyir and Muhammad Aizzuddin - August 17, 2022 @ 6:49pm

KUALA LUMPUR: The Defence Ministry is not ruling out an injection of additional funds for the Royal Malaysian Navy's multi-billion ringgit Littoral Combat Ship (LCS) project.

Senior Defence Minister Datuk Seri Hishammuddin Hussein, however, said that no additional funds will be provided for the first ship.

He stressed that the attention now is to get the first ready as per the latest schedule.

"If they are unable to deliver the first ship in the set time with the existing allocation, then how can we be confident that they are able to fulfil the requirements to complete the other ships?"

"For the other ships, there may be additional funds provided but they must prove (themselves) by completing the first ship in time.

"If the first ship cannot be ready as scheduled, then there is no point talking about additional funds," he told reporters after attending the Armed Forces Superannuation Fund (LTAT) Golden Jubilee celebration at Wisma Pertahanan, Jalan Padang Tembak here today.

Also present were Deputy Defence Minister Datuk Seri Ikmal Hisham Abdul Aziz, ministry secretary-general Datuk Seri Muez Abd Aziz, LTAT chairman General (Rtd) Tan Sri Raja Mohamed Affandi Raja Mohamed Noor, Armed Forces chief General Tan Sri Affendi Buang, and LTAT chief executive Datuk Ahmad Nazim Abdul Rahman.

Five LCS which were originally scheduled to be delivered this month to the Royal Malaysian Navy (RMN) are only 22 to 60 per cent completed.

Work on one more has yet to even begin.

The LCS project is the largest acquisition in the history of the Defence Ministry, with an overall value of RM9 billion.

The contract began in 2013 and was projected to end in 10 years.

The Parliamentary Public Accounts Committee (PAC) revealed in its report recently that the government had paid RM6.083 billion to Boustead Naval Shipyard Sdn Bhd.

Former Boustead Heavy Industries Corporation Bhd (BHIC) managing director Vice-Admiral (Rtd) Tan Sri Ahmad Ramli Mohd Nor was charged with three counts of criminal breach of trust totalling RM21 million over the LCS project scandal.



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Hishammuddin reiterated that talks were ongoing to set up a Royal Commission of Inquiry (RCI) to investigate the scandal.

Once the Cabinet has reached a consensus, the proposal will then be presented to the Yang di-Pertuan Agong Al-Sultan Abdullah Ri'ayatuddin Al-Mustafa Billah Shah, he said.

"The declassification of reports and mobilisation to look forward (for the project) is ongoing smoothly.

"We are also busy answering the issues raised in multiple platforms.

"For the RCI, let us go through the process, the discussion with the Cabinet will continue," he added.