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**28 November 2019**

**MEDIA STATEMENTS BY THE HONOURABLE DATUK DR NORAINI  
AHMAD, CHAIRPERSON OF PUBLIC ACCOUNTS COMMITTEE (PAC)  
CUM MEMBER OF PARLIAMENT FOR PARIT SULONG REGARDING THE  
DEVELOPMENT OF AIR MOBILITY**

1. The Public Accounts Committee (PAC) tabled the PAC Report on the Development of Air Mobility under the Ministry of Entrepreneur Development (MED), the Ministry of International Trade and Industry (MITI) and the Prime Minister's Department (JPM) today.
2. PAC held four proceedings on this issue by using the SO77 (1)(d) of the Dewan Rakyat '*...such other matters as the Committee may think fit, or which may be referred to the Committee by the House*'. This is because the issue of the development of air mobility is not reported in the Auditor General's Report.
3. PAC called for proceedings on this issue on 14 May 2019, 19 June 2019 and 3 September 2019 by calling six witnesses from the Ministry of Entrepreneur Development (MED), Ministry of International Trade and Industry (MITI), Prime Minister's Department (JPM) , Malaysia Industrial Government of High Technology (MIGHT), a company under JPM and Managing Director of VentureTech Sdn Bhd, an investment company owned by MIGHT.

4. They were called as witnesses including Datuk Seri Mohd Redzuan Md. Yusof, Minister of Entrepreneur Development; Datuk Wan Suraya Wan Md Radzi, Secretary General of MED; Datuk Seri Norazman bin Ayob, Deputy Secretary General (Trade) of MITI; Datuk Hasnol Zam Zam Ahmad, Senior Deputy Secretary General of JPM; Datuk Dr. Mohd Yusoff Sulaiman, President & Chief Executive Officer of MIGHT and Dr. Norida Abdul Rahman, Managing Director of VentureTech Sdn Bhd.
  
5. In the proceedings, PAC members raised the following issues;
  - i) The Instigator of the Development of 'Flying Car' Project;
  
  - ii) The Presentation of the Paper on the Development of 'Flying Car' for Cabinet's Approval;
  
  - iii) The Involvement of Other Ministries/Departments and Agencies in the Development of Air Mobility;
  
  - iv) The Government's Investment in Aerodyne Ventures Sdn Bhd (AVSB); and
  
  - v) The Direction of the Development of Air Mobility / 'Flying Car' in Malaysia.

6. Based on the proceedings, PAC summarises that:
- i) PAC found that the announcement on the development of the 'flying car' project by the Minister of Entrepreneur Development has been made too early without proper planning and without informing the Cabinet;
  - ii) Even though the Minister of Entrepreneur Development promotes this project as if it was a national project, PAC finds that the project is actually a private initiative;
  - iii) PAC also found that MITI and MIGHT were not referred in determining the direction of the development of air mobility, in particular the 'flying car' project in Malaysia;
  - iv) The Minister of Entrepreneur Development has been promoting the AVSB openly since February 2019. However, in the PAC proceedings, the Government has not made due diligence to AVSB in terms of financial, intellectual property, expertise and capacity to develop 'flying car';
  - v) Although the Minister of Entrepreneurs Development said the 'flying car' project is a private initiative and did not use Government's funds, however PAC found that MIGHT through VTSB had approved an investment of RM20 million in AVSB. MEA confirms that the fund was transferred by VTSB to AVSB on 1 November 2019;

- vi) The Minister of Entrepreneur Development informed that AVSB is using local technology but PAC finds that the prototype will be built in Japan as Japan has the ecosystem and facilities to build 'flying car'; and
- vii) PAC notes that there are no existing laws related to the regulation and use of 'flying car' in Malaysia.

7. Following that, the Committee recommends the following to the Government:

- i) Detail study and planning must be carried out before a project is released to the public knowledge so that it does not give negative perception and being criticised by the people;
- ii) A complete Cabinet Paper should be prepared and presented in the Cabinet meeting for approval on matters relating to national and people's interest;
- iii) MED is advised to establish cooperation and coordination with other ministries, departments and agencies in the implementation of any Government programme or project, especially those receiving extensive publicity;
- iv) MED is advised to make full due diligence before making any announcements and decisions;

- v) VTSB needs to monitor precisely on the expenditure incurred by AVSB to ensure that the RM20 million investment by VTSB is actually used for the said purpose in the investment approval; and
  - vi) The National Audit Department (NAD) has been asked to audit the Government's investment of RM20 million for the original purpose and not for the 'flying car' project.
8. For those who like to read further on the PAC Report on the Development of Air Mobility under the Ministry of Entrepreneur Development (MED), the Ministry of International Trade and Industry (MITI) and the Prime Minister's Department (JPM) and the hansard of the proceedings, it is available for download at [www.parlimen.gov.my/pac](http://www.parlimen.gov.my/pac).

Thank you.

Hon. Datuk Dr. Noraini Ahmad  
Chairperson of the Public Accounts Committee (PAC)  
Parliament of Malaysia