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TOO MANY ACCUSATIONS HAMPER DEVELOPMENT OF ENERGY INFRASTRUCTURE

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KUALA LUMPUR, Feb 22 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad today blamed baseless accusations of government or people in government having vested interest in privatised electricity projects for the current energy crisis.

He also dismissed claims of poor planning and absence of an effective feedback system as the causes of the problem.

He said shortage of funds forced the government to hand over energy infrastructure development projects to private companies but this gesture often drew accusations that the government or individuals in government had vested interests in the projects.

"Various accusations are made whenever we want to offer (electricity supply projects) to private companies. As a result, there is a delay (in the implementation of the project)," he told reporters after launching the Commonwealth Consultative Group on Technology Management-Private Sector Partnership (CPSP) and the Malaysian Industry-Government Group for High Technology (MIGHT), here.

Dr Mahathir was asked to comment on statements by several economic experts that the current energy crisis resulted from poor planning and absence of an effective feedback system. -- more

▼22/02/17-16MST

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Dismissing these claims, he said the government knew in 1990 itself that the shortage of energy infrastructure would become crucial when investments in the country rose to RM40 billion that year.

He said based on the rule of thumb, it was necessary to provide infrastructure at a cost of 10 sen (or 10 per cent) for every RM1 investment in the country.

Therefore, he said, the government should have spent not less than RM4 billion annually from 1990 to improve infrastructure facilities such as water and electricity supply, roads, and ports and airports in keeping up with rising investment.

"To say that we did not know (there will be an energy crisis if there is poor planning) is something I cannot accept. We know, the government also knows but so many things happened (including various accusations and disputes) that we were unable to implement what should have been implemented," he said.

He said it was not difficult to plan for additional electricity supply equipment because all that was required was installation of the machinery while planning development of infrastructure projects had only to be in tandem with the economic growth rate. -- more

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Dr Mahathir said the government relaxed policies to facilitate and expedite implementation of the projects, including privatising them, but each time a project was offered to a company there were numerous negative accusations which resulted in the projects getting held up.

"It is not that we do not obtain feedback but there are too many arguments that we are unable to implement," he said.

He said failure to provide adequate supply of electricity would adversely affect inflow of investments and the country would lose.

"I believe we will be able to implement all the projects if we are to concentrate on the infrastructure projects handed to the private sector and are not side-tracked by suspicions of any kind," he said.

Dr Mahathir said another factor for the current energy crisis was the frequent finger-pointing among government departments themselves.

Sometimes, personality clashes occurred and this caused delay in the projects, he added. -- Bernama

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