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EKKRAN BHD GETS BAKUN PROJECT

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KUCHING, Jan 30 (Bernama) -- ⁹⁴ Datuk Seri Dr Mahathir Mohamad said today Ekran Berhad will lead the group of companies that would develop the Bakun Hydro Electricity Power (HEP) project.

The Prime Minister said the Economic Planning Unit (EPU) had agreed that Ekran Bhd lead the whole project but had not finalised the group that would participate in the RM15 billion project.

Speaking to reporters here, he said the project, to be implemented near Belaga in Kapit Division, would also boost the cable industry in the country with Sarawak poised to be a major manufacturer of the material.

He said the cables were needed to bring the electric power generated by the project to Peninsular Malaysia and Malaysia was also upgrading its cable system to 500 KW.

For example, the Prime Minister said, the government was planning on electrification of trains apart from the increase in demand following rapid industrial investment in the country. -- more

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At the same time, the government anticipated that a lot of electricity would be used in Sabah and Sarawak and the electricity to be generated by the Bakun HEP would be cheaper, thus helping to lower the cost of electricity in the country, he said.

Besides catering for local needs, the power produced by Bakun would also be exported to other Asean countries, Dr Mahathir said.

On studies done on the project, he said the government had conducted its own study and there was one done by the Brazilians.

Dr Mahathir said, on the whole, nobody wanted to undertake the costly studies unless the government promised to reward them the project.

He said the funds needed for the project would be raised locally as the government did not want to increase the country's external debt.

Before implementing the project, the timber in the affected area would be cut first as it would be costly to do it later, as proven in other similar projects, he said.

Meanwhile, Ekran Berhad Executive Chairman Datuk Ting Pek Khiing said the Prime Minister's announcement about the privatisation of the development, construction and operation of the project brought an end to a decade of speculation on the project.

He said the project would enable the country to tap a vast, renewable and natural energy source to support its rapid industrialisation process.

"This project will also reduce our dependence on fossil fuel and at the same time provide a cheap and clean alternative source of power," he said in a statement here.

Since Ekran had strong ties with Sarawak, Ekran viewed this privatisation project as a vote of confidence in the ability of the people of Sarawak in undertaking a project of this magnitude, he said.

According to him, this will provide the state government with an ideal opportunity to jointly participate with Ekran in this project by taking a majority equity interest.

He said the Bakun HEP project would have an installed capacity of 2,500 MW upon completion, which is expected to be in 2002.

Ting said the electricity produced would be able to contribute between 20 and 25 per cent of the projected national power consumption.

He said Ekran Berhad was finalising the details pertaining to the implementation of the project. -- Bernama