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Mahathir-Jerai

FEDERAL GOVT PROBES JERAI INTERNATIONAL PARK PROJECT

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KUALA TERENGGANU, April 10 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad said today the federal government will investigate the multi-billion ringgit Jerai International Park project.

"If we are not careful, it may undermine the government and Umno," he told a news conference after a dialogue with participants of a seminar on Islam and Development in Terengganu, here.

Dr Mahathir said any state government which wanted to undertake a massive project should study the background of the companies involved, whether the project was feasible, and the reaction of the people.

He said the federal government was scrutinising the background of the two companies - Duta Point Sdn Bhd and Suria Eksklusif Sdn Bhd -- and the information gathered was similar to that obtained by the press.

News reports showed that Duta Point and Suria Eksklusif, which would undertake the RM17-billion project, had a paid-up capital of RM2. -- more
SNJ AL MGN

▼10/04/19-15MST

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Mahathir-Jerai 2 Kuala Terengganu

However, Suria Eksklusif increased its paid-up capital to RM800,001 on Dec 2 last year.

The project became a controversy when people living in the project area covering 2,520 hectares protested, so much so that the Financial Adviser to the Government and MP for Merbuk, Tun Daim Zainuddin, intervened and asked the Kedah government to give an explanation.

Dr Mahathir said it was not necessary for the federal government to give guidelines to state governments on projects involving large capital because if any state government had the capability, it could go ahead with such projects.

"But if one were to seek out a company which only has a RM2 paid-up capital, it is not necessary to undertake multi-billion ringgit projects," he said. -- more

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Replying to a question whether Bank Negara would continue to engage in foreign exchange dealings, the prime minister said the problem not in the transactions but in the large amount of money.

"Whether we like it or not, we have to engage in foreign exchange dealings otherwise the value of our currency may drop and we may not have anything," he said.

Bank Negara has to buy foreign exchange to keep as reserve when there is fluctuation in the money market, he said.

"Sometimes one point drops a lot (in terms of foreign exchange) and when we hold on to much of that currency, we will be in trouble," he said when commenting on Bank Negara's loss of RM5.7 billion in foreign exchange dealings last year.

On the audit by the federal government of Sabah's financial accounts under the Parti Bersatu Sabah (PBS) government, he said it was being done because all state financial transactions had been transferred to the Sabah Foundation which did not come under the ambit of the federal government audit. -- more

SBJ AL MGN

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Mahathir-Jerai 4 (last) Kuala Terengganu

"All logging areas, for example, had been handed over to the Sabah Foundation, and the foundation issued licences for logging, a practice outside the government transactions," he said.

He said the federal government was prepared to extend this audit to the other state governments if necessary.

Dr Mahathir returned to Kuala Lumpur today after a two-day visit to Terengganu.

He expressed satisfaction with the development in Terengganu and stressed that development of the transport system should be privatised as in the west coast. -- Bernama

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