

PM: Review RM17b park

NSF 11 APR 1994

By Manan Osman and Rosli Zakaria

KUALA TERENGGANU, Sun. — Datuk Seri Dr Mahathir Mohamad wants the Kedah Government to carry out a feasibility study on the proposed Jerai International Park project and gauge the response of the people before going ahead with it.

The Prime Minister said the implementation of the project should not have an adverse effect on Umno, the Government and the people.

"If the (State) Government is not careful, it can have an adverse effect," he said in response to reporters' questions at the end of his two-day visit to Terengganu.

Dr Mahathir was asked to comment on the increasing local opposition to the project. The Kedah Government on Jan 28 signed a joint venture agreement with two unknown companies to develop the project at an estimated cost of RM17 billion. The companies are Duta Point Sdn Bhd and Suria Eksklusif Sdn Bhd.

The project became a controversy when people living in the area covering 2,520 hectares, whose land would be acquired for the purpose, protested.

They claimed that they were not properly briefed and were not convinced that the two companies had the capacity to carry out such a large project.

Economic Adviser to the Government and MP for Merbuk, Tun Daim Zainuddin, on Thursday made the same call to the Kedah Government. Part of the proposed project is in Daim's constituency.

He said the residents, most of whom were Umno members, were annoyed with the State Government

for rushing to implement the project.

Dr Mahathir said the Government was now investigating the background of the companies involved in the project.

On Friday, Domestic Trade and Consumer Affairs Minister Datuk Abu Hassan Omar directed the Registrar of Companies to investigate the background and financial standing of the two companies.

Confirming newspaper reports that both companies were modestly capitalised for such a massive project, Dr Mahathir said: "We have received information similar to that printed in the newspapers."

The *New Straits Times* reported on Thursday that Suria Eksklusif Sdn Bhd had a paid-up capital of RM800,000 out of an authorised capital of RM10 million while Duta Point had a paid-up capital of RM2 out of an authorised capital of RM100,000.

Asked whether the Federal Government had special guidelines for State Governments in the implementation of a large project like the Jerai International Park, he said:

"There are no guidelines. If they are capable of undertaking any project, they should go ahead. However, they should not find companies which have a paid-up capital of RM2 to undertake large projects."

The Prime Minister earlier closed a two-day seminar on "Islam and Development in Terengganu" at Wisma Darul Iman here, organised jointly by the Terengganu Government and the Institute of Islamic Understanding Malaysia.

On the appointment of

□ PLEASE TURN TO PAGE 2, COL 2

Dr M: Bank Negara has to deal in forex

□ FROM PAGE ONE

Ahmad Mohamed Don as the new Bank Negara Governor, Dr Mahathir said the Government hoped that the central bank could administer the country's finances carefully although he could not guarantee that an incident similar to the loss of RM5.7 billion in foreign exchange operations would not recur.

He said despite the best efforts to prevent such incidents from recurring, "things could still get out of control".

Asked whether Bank Negara would be directed to stop dealings in foreign exchange altogether, he said the problem was not the bank's involvement in foreign exchange dealings, but rather the quantum involved.

"We have to deal in foreign exchange whether we like it or not. If we are not involved in it at all, the value of our currency will depreciate because there is no buffer to cushion against fluctuations in exchange rates," he said.

To a claim by Semangat 46

that the Finance Minister should be directly responsible for the losses, he said:

"We are all responsible. We are giving the people the opportunity to elect us or they can choose the opposition parties," he added.

Asked if the Government would conduct an audit of the accounts of other States as had been proposed for Sabah, he said the Government would do what it deemed necessary.

On his visit to Terengganu, Dr Mahathir said he had taken the opportunity to look at the development

of the tourism industry in the State and on the proposed re-development of the State capital.

He said the Federal Government had encouraged the privatisation of infrastructure development projects such as roads and bridges so that States need not have to ask for additional allocations.

Referring to the construction of the Kuala Ibai bridge for which the State had requested an allocation, he said the Government had agreed to it but its construction must be privatised.