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U GE 04-08 00230 EF777

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Rpting correcting second and third graf

Mahathir-Perqau (With pix)

GOV'T HAS NO INTENTION TO RENEGOTIATE LOAN FOR PERGAU PROJECT, SAYS PM

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KUALA LUMPUR, Aug 4 (Bernama) -- The Malaysian government does not intend to renegotiate the loan granted by the British government for the Perqau hydroelectric project, Datuk Seri Dr Mahathir Mohamad said today.

Dismissing a recent press report, the Prime Minister said that the government had never requested the British government for a renegotiation of the loan.

"No...we are not asking for more and we are not asking for less. We are only holding on to the promise," he said when asked by reporters regarding the report quoting bank sources as saying that the Malaysian government had requested the British government for a renegotiation of the loan.

He earlier launched the National Occupational Safety and Health Campaign organised by the Human Resources Ministry here.

The report stated that the renegotiation might result in the British government subsidy for the project being reduced.

The 234 million pound sterling (about RM930 million) loan granted by the British government for the project in Kelantan became an issue early this year leading to the Malaysian government to impose a ban on the award of new government contracts to British companies. -- more

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▼04/08/13-50MST

CNS5663

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REPEAT aae

Mahathir-Perqau 2 Kuala Lumpur

Dr Mahathir said that following the report which he described as a "report which came from Europe," he had sought clarification from the party concerned.

"I inquired whether they is any request from Malaysia and they say that there is none," he said, reiterating that the Malaysian government had never made any request to the British government (regarding the loan for the Perqau project).

"As far as I know, we are not asking for more and we are not asking for less," he said.

Asked whether the government would request for a renegotiation, the Prime Minister said that the government did not wish to do so as there would be "accusations of corruption" and other charges.

Dr Mahathir said that when an agreement had been made between two parties, then "we have to keep our promise."

"The agreement has legal status...it cannot be easily altered by any party," he added. -- more

ES RM

▼04/08/15-01MST

REPEAT aae

Mahathir-Perqau 3 Kuala Lumpur

Last year, the UK National Audit Office, in its report, criticised the manner the loan was granted. It said that it was a form of subsidy by the Overseas Development Administration.

The loan, channelled through Tenaga Nasional Berhad, was raised through commercial banks based on market rates but the payment of interests was subsidised by the British government.

Asked on developments pertaining to the ban on the award of government contracts to British firms, he said that the government had not decided on whether or not to have the ban lifted.

The government decided not to award new contracts to British firms early this year following irresponsible reporting by the British press.

On the action by the United Nations Development Programme to drop Malaysia from the list of recipients of technical grant assistance after 1996 as "Malaysia has become more self-sufficient," Dr Mahathir said that the government could not object if the UNDP's grounds were true. -- more

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Mahathir-Perqau 4 Kuala Lumpur

"But assessment must be made with utmost fairness. We do not want assistance that should be given to a country in need of it to be given to us...this is not fair.

"On the other hand, if we are entitled to it, we insist on our rights," Dr Mahathir said.

UNDP Regional Representative to Malaysia, Singapore and Brunei Carl-Erik Wiberq was recently reported as saying that Malaysia might be dropped from the list. However, he said that the UNDP executive board, meeting next June, would decide whether or not to do so.

Dr Mahathir also reiterated that parties assessing the economic situation of countries should not use the value of the US dollar as a yardstick.

On the position of former Cambodian Deputy Prime Minister Prince Norodom Chakrapong who is said to be still in Malaysia, Dr Mahathir said that he hoped that Chakrapong would leave the country as soon as possible.

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CNS5699

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Mahathir-Perqau 5 (last) Kuala Lumpur

France has agreed to accept Chakrapong following the Malaysian government's request as the Cambodian government had said that it was unhappy with Chakrapong's presence here.

"We are prepared to grant asylum to people on condition that they do not use Malaysia as a base to launch actions against their country," he said.

"Ours is not a place to be used as a base for any revolution," he said.

-- Bernama

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