

Malaysia will not renegotiate British loan for Pergau

KUALA LUMPUR, Thurs. — Malaysia does not intend to renegotiate the loan given by Britain for the Pergau hydroelectric dam project in Kelantan, ~~Datuk Seri~~ Dr Mahathir Mohamad said today. — The Prime Minister said the Government had never asked the British Government for a renegotiation of the loan.

"We are not asking for more or less. We are only holding on to the promise," he told reporters after launching the National Occupational Safety and Health Campaign here.

Dr Mahathir was asked to comment on a *Bernama* report from London recently quoting bank sources there as saying that the Malaysian Government had asked Britain for a renegotiation of the loan.

The report stated that the renegotiation could result in the reduction of the British Government subsidy for the project.

Asked if the Government would consider the matter if the British sought to renegotiate the loan, Dr Mahathir said the Malaysian Government did not wish to do so "as there will be accusations of corruption and other charges".

"When an agreement has been made, we have to keep our promise. The agreement has legal status. It cannot be altered easily," he added.

The £234 million (RM930 million) loan granted by the British Government for the project was turned into an issue by the British Press early this year.

This led to the Malaysian Government banning the awarding of new government contracts to British firms.

Asked on the status of the ~~ban~~, Dr Mahathir said it remained the same.

He was also asked to comment on a report that Malaysia might be dropped from the list of recipients for technical grant aid under the United Nations Development Programme after 1996 as Malaysia has become more self-sufficient.

The Prime Minister said Malaysia could not object to it if the claim was true.

He said he also did not want assistance to be given to Malaysia if it should go to any other deserving country, but the assessment be done fairly.

Recently, the UNDP Regional Representative to Malaysia, Singapore and Brunei, Mr Carl-Erik Wiberg, was quoted as saying that Malaysia might be dropped from the list, but a decision on this would be made when the UNDP executive board met in June.