

PM: Loan for dam project legally binding

KUALA LUMPUR: The British Government's loan agreement for the Pergau Dam project is legally binding and cannot be altered by any party, Datuk Seri Dr Mahathir Mohamad said yesterday.

The Prime Minister said he was not aware of any request by Malaysia to renegotiate the loan with the British as reported in the foreign press recently.

"We are not asking for anything more or anything less but whatever that has been promised by the British," he said.

He was commenting on a report, quoting banking sources, as saying that the loan for the Pergau Dam project was to be renegotiated at Malaysia's request.

"When they make an agreement (for the loan) they will have to fulfil it because it has a legal status which cannot be revoked by any party indiscriminately," said Dr Mahathir.

According to the report, the renegotiation may reduce the British Government's subsidy for the project.

The £234 million (RM913 million) loan, given by the British government for the dam project in Kelantan, was the subject of an intense public debate in the House of Commons.