

Project awards to be based on merit

By Syed Nazri

KUALA LUMPUR, Sat — Government projects will from now on no longer be awarded to British contractors solely on the strength of loans pledged by London. Datuk Seri Dr Mahathir Mohamad said today.

The Prime Minister said tenders for such projects would instead be assessed strictly on merit irrespective of whether the bids were linked to loan arrangements.

He told reporters this after calling on visiting Chinese President Jiang Zemin at the Kuala Lumpur Hilton here. Jiang leaves for Penang tomorrow before flying off to Jakarta for the Apec leaders' meeting.

Dr Mahathir was asked whether problems arising from the £234 million (RM959 million) loan pledge from Britain for the Pergau dam project in Kelantan would affect future contracts to British companies.

The British High Court had ruled on Thursday that the loan was "fatally flawed" because the project was unsound and failed to promote economic development.

The ruling followed an

unprecedented legal action filed against British Government spending by the World Development Movement (WDM), a pressure group, which argued that British Foreign Secretary Douglas Hurd had overstepped his power by allocating aid money to promote trade with Malaysia.

However in an immediate reaction, the British Government made it clear that it would keep its pledge by giving out the remaining £200 million (RM820 million) of the loans to Malaysia using money from its contingency fund.

Dr Mahathir, who was also asked whether the problem once again showed the hostility of the British towards Malaysia, said it arose only from the action of activists (WDM) and not the British public in general.

"They said the (Pergau) project was not viable. How can they tell whether it is viable or not? We are not stupid," he added.

He said the issue would not affect relations between the two countries.

Earlier in Pekan, Dr Mahathir said he was happy that the British Government was keeping its end of

the bargain following the pledge that Malaysia would get the remaining £200 million.

He said since this was the case there was no need for the Malaysian Government to seek legal redress through the courts to ensure that the loan condition was fulfilled.

However Dr Mahathir added that there were still some quarters in Britain who were questioning the viability of the Pergau dam project.

"There are those in Britain who allegedly claim that the project is not feasible. That is their opinion."

Hurd had said that the British Government was contractually bound, adding that British firms and British interests as a whole would suffer substantially if it went back on the deal.

On speculation about when the general election would be held, Dr Mahathir said in jest that he had heard rumours that he would hold it on Monday so that he could skip the Asia Pacific Economic Co-operation leaders' meeting in Bogor, Indonesia.

"So maybe I might call for it on Monday," he added with a smile.