

08 OCT 1996

TENAGA FORESEES NO PROBLEM IN SOURCING FUND TO EXPAND DELIVERY CAPACITY

KUALA LUMPUR, Oct 8 (Bernama) -- Tenaga Nasional Bhd (TNB) feels that it will not encounter any problem to source funding for its five year programme to increase the company's transmitting capacity when the Bakun dam delivers power.

TNB's executive chairman Datuk Dr Ahmad Tajuddin Ali said the funding was needed in view of the company's efforts to strengthen and build the necessary capacity in order to enable it to deliver power nationwide.

"I have to plan within the horizon for the decision in the next five years," he told reporters at a press conference here, today.

Dr Ahmad Tajuddin said as for 1996/97, the company needed RM5 billion in capital expenditure, which would be sourced from a mixture of internal sources, local, as well as international borrowings.

On international funding, he said he did not foresee any problem in getting it, adding that based on his one-day visit to Hong Kong yesterday, he had received positive indications from international funding organisations there.

Asked about TNB's plans to upgrade and expand electricity delivery within the next five years, Dr Ahmad Tajuddin said that Malaysia expected annual gross domestic product growth of 8.0 percent with 14 percent to 16 percent growth in the industrial sectors.

This would mean a 14 percent to 16 percent growth in annual electricity demand, he added.

Therefore, new investments had to be made in particular for new transmission capacity, as well as upgrading and improving the current distribution system, he said.

"We are planning ahead as power stations, transmission lines and distribution system cannot be put up in a day and have to be put up in stages," Dr Ahmad Tajuddin said.

Asked whether Tenaga has any plans to sell its current surplus of power to neighbouring countries as was suggested by Prime Minister Datuk Seri Dr Mahathir Mohamad, he said that Tenaga had negotiated to sell power to Thailand and Singapore but failed when it came to negotiations on the rates.

He said that Tenaga could not sell the surplus at a cheaper rate than what it was charging its local consumers.

On the supposed pull out by Malaysian Resources Corporation Bhd (MRCB) from the fibre optic project, Dr Ahmad Tajuddin said that he was not aware about it and would be getting a briefing from MRCB later this week. --

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