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Mahathir-Bakun

BAKUN A NATIONAL PROJECT, SAYS MAHATHIR

KUALA LUMPUR, May 13 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad today pledged the government's full commitment to the Bakun hydro-electricity project in Sarawak saying it is "a national project".

The government would always be behind the RM15.5-billion project, he said.

"It is very much a national project," he said before witnessing the signing of an agreement between Bakun Hydro-Electric Corporation Berhad (BHC) and 54 financial institutions to underwrite 375 million shares offered by BHC to the public at RM2 per share, here.

Later, when asked at a news conference why the government had to make the pledge, Dr Mahathir said the project had to be regarded as a national one because some thought that it was being undertaken by the private sector.

"We are responsible (for the project)," he said.

Earlier, the Prime Minister launched BHC's corporate logo.

Work on the project started in October last year with the initial operational and commercial operational dates to be not later than Oct 31, 2002, and Aug 31, 2003, respectively.

The power plant will have an installed capacity of 2,520 megawatts in Sarawak and power transmission system comprising about 670km of overhead HVDC lines in the state.

About 670km of submarine cables will link it to Tenaga Nasional Bhd's transmission system in Peninsular Malaysia.

Ekran Berhad will hold 32 per cent equity in BHC, making it the single largest shareholder. The Sarawak Government will hold 19 per cent, the Sarawak Electricity Supply Corporation nine per cent and Tenaga Nasional, the Malaysian government through Khazanah Nasional Bhd and the Employees' Provident Fund each holding a five per cent stake.

From the balance of 25 per cent, 15 per cent is allocated to the Malaysian public and 10 per cent to Malaysian and foreign institutions.

Dr Mahathir told the packed news conference that the government would ensure the Bakun project is implemented as scheduled.

"Bakun is a sure thing. It will take time (to complete)," said Dr Mahathir who was asked repeatedly by foreign journalists present if the mammoth project would be a success.

When asked if the project would "make money", he said in jest that "Bakun will make a lot of money when operational".

Asked if his earlier statement of the government's commitment to the project was because of a lack of interest from underwriters, Dr Mahathir said: "I don't think there is any difference in this case. For example, we had 62 underwriters for Tenaga Nasional Berhad."

On whether the government would also give its full commitment to other companies undertaking mammoth projects just like it did to the Bakun project, he said: "We will think about it."

On BHC shares, Dr Mahathir said he believed that they would "do well"

"Most shares (in other companies) are doing well. They take time to do well. And at that time, it will benefit (the shareholders)," he said.

On conflicting statements from the (foreign) contractors on the participation of local companies, Dr Mahathir said Asea Brown Boveri Ltd (ABB), the project's main contractor, has agreed to take in local companies.

He said 40 per cent of the works to be carried out has been allocated to local companies.

ABB is a major partner in a consortium with Companhia Brasileira de Projectose Obras (CPOB) of Brazil which was awarded the main construction package of the project.

BHC executive chairman Tan Sri Ting Pek Khiing, who was present during the news conference, said 2,400 local companies have submitted to participate in the project.

Asked what would happen if the issue of local companies' participation was not resolved, Dr Mahathir said: "I don't answer 'if' questions".

The Prime Minister also said that although the government had explained to the people the rationale for the project, certain parties, especially non-governmental organisations, were still harping on and strongly criticising the project.

"They are not interested in what we have achieved," he said.

Earlier, in his speech, the Prime Minister said that the government had taken the route to allow the private sector to undertake mammoth projects like Bakun because they have been most effective.

"I am quite sure that without privatisation, we could have been no where," he said.

Dr Mahathir said he wanted to get the Bakun project off the ground when he was Deputy Prime Minister in 1976 but it could not take place.

"If I had my way, it would have been built in 1976 when I was the Deputy Prime Minister. But, as (being the) DPM, I know it won't be carried out," he said to the laughter of those present. -- BERNAMA

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