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Bakun dam not bankable unless contract is amended

PETALING JAYA, Sun. - The engineering, procurement and construction contract for the RM15 billion Bakun hydro-electric dam project is not bankable unless it is amended, Ekran chairman Tan Sri Ting Pek Khiing said today.

He said he was also not optimistic that the dispute over the contract between Ekran, the project's main proponent, and its contractor Asea Brown Boveri consortium could be resolved by next week.

Ting said while cost overrun was one issue, the contract could not be used to borrow funds, adding that finance was a problem.

"If you don't change this engineering, procurement and construction contract, it is not bankable.

"The document must be fair to the developer and the contractor. Only then can you go to the bank and borrow money. This is what I am fighting for," Ting told reporters at the Bunga Raya VIP room of the Sultan Abdul Aziz Shah International Airport where Prime Minister Datuk Seri Dr Mahathir Mohamad was seeing off Pakistani Prime Minister Nawaz Sharif after a three-day official visit here.

He declined to say why the contract was not bankable.

The dam is being built by Bakun Hydroelectric Corporation in which Ekran has a 32 per cent stake, the Sarawak Government (19 per cent), the Sarawak Electricity Supply Corporation (nine), Tenaga Nasional Berhad (five), Khazanah Nasional Berhad (five) and the Employees' Provident Fund (five).

The balance of 25 per cent has been allocated to the public (15 per cent) and domestic and foreign institutions (10 per cent).

Ting said: "Only after signing the contract did we come to know of this. We noticed this is not a bankable document.

"There are complicated things involved which I do not want to highlight. We told them to sort it out."

Ting said the final negotiations of the contract were not done by him and changes were made without his consent.

Asked if ABB changed it without his consent, he said "somebody" changed it.

Ting also said the contract was not effective yet, adding that if it was effective, work would have started.

He maintained that Ekran had the option of changing the contractor.

On the Government's role in the dispute, Ting said the Government must know of the details before it could mediate.

"I hope with the Government stepping in it can be resolved."

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