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## BAKUN DELAY POSES DILEMMA TO EKTRAN AND OTHER COMPANIES

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KUALA LUMPUR, Sept 5 (Bernama) -- Rescheduling of the Bakun dam construction would have knock-on financial effects, not only in the flotation time-table of the Bakun Hydro-Electric Corporation (BHEC), but also on Ekran Bhd and the cluster of companies associated with Ekran's executive chairman Tan Sri Ting Pek Khiing, analysts told Bernama here today.

For BHEC, the special purpose vehicle to operate the RM13.6 billion dam, its flotation would be set back for as long as a year, one analyst said. It was originally slated for last June.

A longer delay of more than a year would translate into higher financing cost for BHEC, he added.

For Ekran and other Ting-controlled companies such as PWE Industries, Pacific Chemical, Granite Industries, and Wembley Industries, delay on the dam was not good news, said one research manager at one stockbroking house.

Ting had intended that the companies would receive lucrative sub-contracts, such as cable manufacturing and project management, from the dam project.

The dam project was forecast to contribute to a quarter of Ekran's earnings for the 1997/98 financial year, Ekran's general manager of finance, Tang Yew Sai had said recently.

"Talks with other parties for a new EPC, (engineering, procurement and construction contract) to iron out the contract details will take a few months, at least," said the research manager.

BHEC not only has to look for a new contractor but also resolve any legal complications following the dismissal of the Swiss/Swedish-Brazilian consortium of ABB-CBPO as the EPC contractor.

The research manager said everything now depended on how fast negotiations proceed but unresolved matters with ABB-CBPO could complicate any new arrangement while another commentator said the length of delay would depend on how far and how much the government would push ahead with the project.

Yesterday, Ting said the company was terminating the EPC contract with the ABB-CBPO consortium because of a failure to resolve disputes over who was to be held responsible for cost overruns.

Later in the evening, prime minister Datuk Seri Dr Mahathir Mohamad announced that the implementation of the Bakun dam would be one of few large projects to be held up for balance of payments reasons.

Earlier this year, an Ekran rights issue to finance its 32 percent acquisition in BHEC was undersubscribed by 66.27 percent; Ting then had to raise RM1 billion to take up most of the shares. Ekran was expected to earn RM300 million for the transfer of its rights to BHEC.

Despite the postponement of the dam's implementation, share prices on most of Ting's companies rose today. Ekran rose 1.02 to RM4.50, PWE was unchanged at RM22.80, Pacific Chemical added 90 sen to RM4.48, Granite rose 19 sen to RM2.18 and Wembley added 36 sen to RM2.14.

An analyst said the prices rose primarily because they had fallen so low in recent days.

The Bakun dam was conceived as part of a long-term solution to power Malaysia's rapid development and, later, to overcome its energy crisis in the early 1990s.

First mooted in 1970s, the project has seen its up and downs, and

during the past decade or so decision on its implementation has swung between yes and no.

An analyst said the dam delay should not be a surprise, considering that it was dogged by many disputes and problems.

The first hint about the severity of the problems came with the admission by the deputy prime minister Datuk Seri Anwar Ibrahim that Ekran and the consortium had run aground on contractual disagreements.

Before that, there had been uncertainty about who should own Bakun Hydro-Electric before agreement was struck to involve not only Ekran, but also Sarawak state government (19 percent) and Sarawak Electricity Supply Corporation (nine percent). Tenaga Nasional, Khazanah Nasional and the Employees Provident Fund were to hold five percent each while the balance of 25 percent was supposed to be offered to the public in a flotation exercise. -- BERNAMA

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