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Bakun dispute can be resolved: PM (HL)

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PRIME Minister Datuk Seri Dr Mahathir Mohamad, who returned from a two-month leave yesterday, expressed confidence that any dispute regarding the Bakun dam project can be resolved.

"All contracts give rise to disputes and they can be resolved. We have resolved thousands of other problems," he told a news conference upon his arrival at the Sultan Abdul Aziz Shah Airport in Subang.

"There is no need to give the impression that this is wrong, that we are failing.

"Of course it makes better news, other people's misery is very good to read about," he added.

Dr Mahathir was asked to comment on the purported disagreement between Ekran Bhd, the proponent of the dam project, and Asea Brown Boveri Holdings Sdn Bhd (ABB), its contractor. Ekran and ABB are reported to be at odds over the engineering, procurement and construction (EPC) contract for the RM15.5-billion hydroelectric project in Sarawak.

Deputy Prime Minister Datuk Seri Awar Ibrahim said that both Ekran and ABB will meet tomorrow to settle their differences.

Dr Mahathir said the Bakun dam is a national project and the Government will not allow personal feelings to come in its way.

"There is no dispute on Bakun. The project will go on. Some people may not be happy, some people may have personal views on certain things, but we will overcome all these."

On another development, Dr Mahathir said currency speculators are using their freedom to speculate as a political weapon against poor countries.

"I find that this freedom has been turned into a political weapon in that it gives power to one person to force other free countries to bow to his wishes," he said.

"We are not very happy about this. If the freedom is abused to make the poor become poorer because certain people are having a crusade, it is not good," he said.

"This means they are robbing from the poor to show that they are charitable," he added.

Dr Mahathir was asked whether Asean countries need to act together to counter the currency speculation by the US financier.

He was reported as saying in Japan that the recent plunge in Asean currencies was due to the speculative activities of an international financier who is opposed to Myanmar joining Asean.

On the ringgit's situation, Dr Mahathir said he will get more information from Anwar, who is also Finance minister.

"If possible, I will try to give ideas," Dr Mahathir said.

Asked whether Bank Negara will intervene to defend the local currency, he said: "We cannot make a decision based on one factor alone ... we have to hear from all parties."

The ringgit stabilised further yesterday, although closing lower at 2.6200/20 to the US dollar against Monday's 2.6150/00.

Dealers said the ringgit's volatility in recent weeks appeared to have eased, with many saying the Malaysian currency should continue to trade at 2.62-63.

Profit-taking on the US dollar from both local and offshore funds was noted while some dealers attributed the steady ringgit to the return of Dr Mahathir from abroad.

Against the Singapore dollar, the ringgit ended lower at 1.7902/28 from 1.7862/08 on Monday but it was higher against the Deutschemark at 1.4507/21 (from 1.4607/39), pound sterling at 4.3801/61 (4.3888/98) and the yen at 2.2528/65 (2.2598/60).

On the money market, the benchmark three-month Kuala Lumpur Interbank Offer Rates (Klibor) eased further to 8.91 per cent from 9.17 per cent, while one-month money dipped to 8.96 per cent from 9.50 per cent on Monday.

In a statement released yesterday, Bank Negara said its gold and foreign exchange and other reserves, including special drawing rights, stood at some RM61.9 billion as at July 15, down from RM70.1 billion at June 14.

Elsewhere in the region, Japanese Finance Minister Hiroshi Mitsuzuka was quoted as saying his ministry would maintain contact with authorities in the Philippines, Indonesia and Malaysia over the foreign exchange turbulence.

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