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Moggie-Bakun

BAKUN TUNNEL WORK WILL PROCEED, SAYS MOGGIE

KUALA LUMPUR, Sept 6 (Bernama) -- The delay in the RM13.6-billion Bakun hydro-electric project in Sarawak will not cause any environmental damage as work on the diversion tunnel, among other things, will go on, said Energy, Telecommunications and Posts Minister Datuk Leo Moggie.

"At the moment, work on the diversion tunnel is still on-going," he told reporters here after opening the Electricity and Gas Supply Department's Quality Day.

Moggie said Ekran Berhad's decision to terminate its contract with Asea Brown Boveri-Companhia Brasileira de Projectos Obras Consortium (ABB-CBPO) would not affect work on the tunnel as its construction was under a separate contract.

He said only the engineering, procurement and construction (EPC) contract between Bakun Hydro-Electric Corporation Berhad (BHC) and ABB-CBPO has been affected by the termination.

"Physical work on the EPC has not started on the ground anyway," Moggie said.

It would commence once work on the diversion tunnel has been completed.

Upon completion, it would be handed over to the main EPC contractor, he said.

Yesterday Moggie said the government was not aware if BHC had found a replacement contractor for ABB-CBPO but the BHC had the prerogative to decide who the contractor should or would be.

Last Thursday, Prime Minister Datuk Seri Dr Mahathir Mohamad said the Bakun project were among several national projects that would have to be delayed to reduce pressure on the depreciating ringgit and the country's current deficit account.

On the same day, Ekran announced that its contract with ABB-CBPO has been terminated after both parties failed to agree on the "precise securities" relating to performance guarantees by ABB-CBPO and payment guarantees by BHC under the EPC contract.

Moggie also reiterated today that his ministry would monitor the scope of the delay to accommodate planning for the country's power capacity.

It would not call for a meeting with Ekran officials, including executive chairman Tan Sri Ting Pek Khiing, to discuss the latest developments.

But the ministry would instead leave it to Ekran to decide the next course of action, he said.

In his speech earlier, Moggie outlined five key challenges to the power supply industry that needed to be addressed.

These include providing quality energy supply at reasonable rates, protecting the environment from energy development and use and determining more efficient and safer power utilisation.

In conjunction with the quality day, a one-day seminar and dialogue on improving the quality of electrical charginan, was also held.-- BERNAMA

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