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Bakun - not just dollars and cents

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THE reminder is out. If the disease affecting part of the body cannot be cured, amputation is imminent. It is a typical doctor's answer to a problem.

So, the Prime Minister's kata dua (reminder) to the disputing parties in the gigantic Bakun hydroelectric project should be taken very seriously.

Speaking to reporters in Kuala Lumpur on Thursday, Datuk Seri Dr Mahathir Mohamad said if Ekran Bhd and the Asea Brown Boveri consortium could not resolve their differences, the Government would have to break the contract.

He said while the Government would try to find a way to help solve the impasse, it would have to break the contract if the worst was to happen.

Dr Mahathir was responding to a question on the dispute between Ekran, the main partner in the six-party venture to develop the RM15 billion project, and the main contractor Asea Brown Boveri.

Other major shareholders of the Bakun Hydroelectric Corporation, the eventual owner of the project, are 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). Tan Sri Ting Pek Khiing's Ekran, which has a 32 per cent share, plays a major role in planning and executing the project.

Dr Mahathir's reminder is important not only because the Government is involved in the project but more so because he is a strong supporter of the undertaking.

Given the choice, I am sure that Dr Mahathir does not want the dispute to be dragged into the open. But as time goes by, it becomes more apparent that the dispute is far more serious than all the parties involved have made it out to be.

When the Deputy Prime Minister, Datuk Seri Anwar Ibrahim, on July 15 revealed that the construction of the project was behind schedule due to a dispute, his statement was vehemently denied by Ekran chairman Tan Sri Ting Pek Khiing.

The Sarawak tycoon, who is known to have the full backing of the Sarawak Government, said there were only "some small matters waiting to be sorted out".

ABB, being a foreign contractor, was understandably cautious. Reacting to Anwar, it issued a vague Press statement saying that in any large and complex project such as Bakun, ongoing discussions on specific details - technical and others - were to be expected.

But on Friday, admitting that there was a dispute with Ekran, ABB said it hoped to solve the problem at a meeting to be held next week.

The true magnitude of the dispute became manifestly clear when Ting on Wednesday admitted that the dispute was over the provision on cost overrun which could be claimed by ABB.

It was at this point that the Prime Minister, in responding to a question from the Press, issued the warning.