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CONSTRUCTION OF BAKUN DAM TO COMMENCE IN DECEMBER, TING SAYS

BAKUN, May 16 (Bernama) -- The main construction work on the RM15.5 billion Bakun hydroelectric dam is scheduled to commence in December 1997, two months after the river diversion work is completed.

Bakun Hydroelectric Corporation Bhd's executive chairman Tan Sri Ting Pek Khiing said workers employed by the main contractor, the ABB-CBPO consortium, were at present leveling the dam and camp site for thousands of workers.

Speaking at a press conference after a tour for journalists to the project site here today, he said construction work on the dam will begin when the Balui River is diverted via three tunnels which is almost nearing completion.

"The whole project is on schedule and will be completed in the year 2003," he said.

However, Ting admitted that the completion of the tunnels, which was to have been today, was now five months behind schedule.

He said the completion of the tunnels were held up due to difficult mobilisation, at the initial stages of the project, and unforeseen bad weather and soil conditions.

The three tunnels will be the biggest diversion tunnels in the world with an average length of 1.5 kilometres, he said

Quashing rumours of a rockfall or collapse that could have caused the delay in completing the tunnels, he said tunneling work was now 80 percent completed while what remained to be done now was minor excavation work to smoothen the tunnels and to strengthen them with concrete lining.

"We expect water to go through the tunnels by October," Ting said.

"I think the contractor and the consultants have done a good job. We can see that," he said adding that the problems that caused the delay have been overcome.

The contractor of the tunnel diversion work is Dong Ah Construction Co Ltd of South Korea.

When asked for clarification on the delay, Ting said Dong Ah started the work ahead of time.

Normally, the tunnelling work of this size would take two years. The work on the tunnels in the Bakun project have only taken up 14 months, he said.

In addition, clearing work by the dam contractor to prepare the site also commenced simultaneously.

The mobilisation exercise itself took the ABB-CBPO consortium one-and-a-half years to bring between 5,000 and 10,000 people to work on the construction of the dam.

On whether the late completion of the tunnels will result in cost overruns, Ting said the contract was a fixed lump sum contract.

"It is a turnkey contract, designed and built at a price that we quoted," he said.

On the initial public offer (IPO) that the company is making, Ting said: "We will use the IPO to raise funds from the Malaysian money market.

"If you borrow money from foreigners, they may say it is difficult to carry out this project. There will be a lot of conditions," he said.

Echoing Prime Minister Datuk Seri Dr Mahathir Mohamad statement, Ting said the Bakun project is a national project.

"It is not a Ting Pek Khiing's project. I cannot pay for the project.

"I do not need the project for myself, but this is for Malaysia," he pointed out.

Bakun Hydro is offering 225 million shares, accounting for 15 percent of the company's paid-up capital, to the Malaysian public at RM2 per share.

Another 150 million shares (10 percent) will be offered to interested foreign and local investors. (It is understood that to qualify for this portion of the offer, an investor will have to subscribe for at least one million shares).

Upon listing, Ting will hold a 32 percent equity interest in Ekran Bhd, the Sarawak State government 19 percent, Sarawak Electricity Supply Corporation nine percent, Employees Provident Fund five percent, Tenaga Nasional Bhd five percent, Khazanah Nasional Bhd five percent and the public 25 percent.

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