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GOVERNMENT INTERVENTION DEPENDS ON NEXT MEETING OF DISPUTED PARTIES

KUCHING, Aug 1 (Bernama) -- The government may intervene in the dispute between Ekran Berhad and its main contractor, the Asea Brown Boveri (ABB) consortium, over the Bakun hydro-electric project if they fail to achieve any solution in the next round of discussion scheduled next week.

Energy, Telecommunications and Posts Minister Datuk Leo Moggie said today Ekran, the proponent of the RM15-billion project, held a discussion with ABB on July 24 but failed to come to any settlement and agreed to meet again after two weeks.

Speaking to reporters after the launching of Info-Stock on 600 Information Services and the signing ceremony of the interconnection services here, he said the government is convinced it is a very good hydro-power scheme and a necessary project for the country.

"It is already considered as a national project and we will implement it. If need be, the government would have to step in," he said.

Yesterday, Prime Minister Datuk Seri Dr Mahathir Mohamad said that if Ekran and ABB failed to resolve their differences, "we will have to break the contract."

Two days ago, Ekran chairman Tan Sri Ting Pek Khiing admitted that the dispute was over the cost overrun above the stipulated worth of the project which could be claimed by ABB.

He had said that there is a provision in the engineering, procurement and construction (EPC) contract that ABB is able to claim cost exceeding the worth of the contract and this seemed to favour a single party.

Ekran holds 32 per cent equity in the Bakun Hydro-Electric Corporation (BHC) while the Sarawak government 19 per cent and the Sarawak Electricity Supply Corporation (Sesco), nine per cent.

The remaining stake of five per cent each are held by Tenaga Nasional Berhad and the Malaysian government through Khazanah Nasional Berhad and the Employees' Provident Fund (EPF). -- BERNAMA

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