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Mahathir-Bakun

GOVERNMENT TO APPOINT NEW CONTRACTOR FOR BAKUN IF DISPUTE UNRESOLVED

KUALA LUMPUR, July 31 (Bernama) -- In an bid to see the RM13.6 billion Bakun hydroelectric project gets underway, Prime Minister Datuk Seri Dr Mahathir Mohamad today said the government may appoint a new contractor to undertake the project if the dispute between Ekran Bhd and Asea Brown Boveri-Compahia Brasileira de Projectose Obras consortium (ABB consortium) failed to resolve.

"If the matter comes to worst there is a possibility (of appointing a new contractor). Obviously if you sign a contract, you don't carry on there may be compensation to pay and things like that," he told reporters after launching the Indy 40 Enduro Go-cart racing event here.

Dr Mahathir also received the Prime Minister's Cup from Italian Go-cart manufacturer (CRG), the challenging trophy for the event which will be held in Langkawi on Aug 30

"They have been trying (to resolve the matter) but they can't agree. As the next resort, the government will come in," he said when asked what would be the next step if the two parties failed to solve the problem.

Ekran executive chairman Tan Sri Ting Pek Khiing had said that the dispute between Ekran Bhd and ABB consortium was over the disagreement on the cost overrun above the stipulated worth of the project which can be claimed by ABB.

Dr Mahathir said the government would study the reason for the dissatisfaction with the terms of the agreement "of which according to Ting favours the ABB too much."

On whether the image of the country would be affected should the contract is broken, he said: "We can adhere to the contract if the terms are fair. But if it is shown to be grossly unfair, then we would have no choice. I do not know if it is grossly unfair or not."

He said the contract was entered into by Ekran privately, and "there may be some mitigating circumstances which explains why the contract was regarded as unfair."

Ting was quoted yesterday as saying that there were points in the engineering, procurement and construction contract that ABB-led consortium was able to claim costs exceeding the value of the US\$5.44 billion dollar contract.

Dr Mahathir also hoped that the dispute could be resolved as soon as possible.

The Prime Minister upon returning from leave last week was confident that any problems (referring to the Bakun project) could be resolved. --

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