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Mahathir-Bakun

MAHATHIR CONFIDENT OF SETTLEMENT TO BAKUN DISPUTE

KUALA LUMPUR, Aug 7 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad said the government is confident that the dispute over an agreement on the construction of the RM13.6-billion Bakun hydro-electric dam in Sarawak can be resolved.

The dispute, between project proponent Ekran Berhad and the main contractor, Asea Brown Boveri (ABB), was mainly over the engineering, procurement and construction (EPC) contract of the project.

"We are working on it and I think we can resolve it. One way or another, it will be resolved," Dr Mahathir said after launching a company called InterAsia Fairs and Exhibitions Sdn Bhd here.

He said the important thing was that the Bakun dam would be built.

Dr Mahathir was also asked on market talk that ABB had asked the government to "stand guarantor for the project".

To this Dr Mahathir replied: "We can't stand guarantee for something (agreement) that we think is not safe, we will stand guarantee if it (the agreement) is safe."

He said the government would have to study the reasons why Ekran was "unhappy with the (EPC contract) agreement".

The Prime Minister said the he had received a report from Ekran on the matter and would study it.

Last Thursday Dr Mahathir said the government would consider appointing a new contractor should the dispute remain unresolved.

Ekran and ABB were supposed to meet this week to further discuss the matter.

Ekran executive chairman Tan Sri Ting Pek Khiing last week said the dispute between Ekran and the ABB led-consortium centred on cost overruns above the stipulated worth of the project which can be claimed by ABB.

According to Ting, there were points in the EPC contract providing for ABB to claim costs exceeding the value of the US\$5.44 billion contract.

-- BERNAMA

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