

05/09/1997

Mahathir: We'll delay, reschedule big projects

Hamisah Hamid

THE Government will delay or reschedule a number of infrastructure projects, including Bakun dam, the northern airport and the KL Linear City (KLLC), in view of the weakened ringgit.

The KL International Airport, scheduled to be operational next year, will not be affected, Prime Minister Datuk Seri Dr Mahathir Mohamad said last night.

"The delay depends on how fast we recover. Of course we can recover. It's a question of time. You can't bring the currency down to zero," Dr Mahathir told a news conference after chairing an Umno Supreme Council meeting in Kuala Lumpur.

The three projects identified - Bakun, the northern airport and KLLC - are estimated to cost more than RM25 billion.

Dr Mahathir said this when asked to comment on the position of the dam project after its developer, Ekran Bhd and its main contractor, Asea Brown Boveri (ABB), failed to reach an agreement on their negotiations yesterday.

"The currency is now devalued and effectively any purchase of imported goods will cost more in ringgit terms and because of that we have to reschedule the work of most of these so-called mega projects," he added.

On the estimated loss from the dam project's delay, Dr Mahathir said if the ringgit stays low, the cost of building the dam would cost about 20 per cent more.

The project was estimated to cost RM13 billion.

He said it would also depend on how much foreign content is used in the project. "Obviously we can't build this dam without using some foreign imports."

Asked if the delay of the Bakun hydroelectric project will mean the country would face power shortages, he said: "There are other means of doing things. We may probably produce more gas.

"We are already, as you know, producing more oil for export in order to earn more foreign exchange. We are doing quite a few things, some of which we cannot tell you."

The Prime Minister reiterated that the Bakun project will not be scrapped as more than RM100 million had been spent to build the diversion tunnels.

"We may have to delay it for several reasons, among which of course the fact that our currency has depreciated and the cost in terms of ringgit may be higher.

"So we may have to stretch it over a longer period and that applies also to other projects," he said.

Dr Mahathir chided parties that have gone all out to ensure the failure of the project, which was earlier due for completion by 2003.

"I congratulate them. They have done a good job. They have been asking us not to do this (but) we continued to do this. Now they have succeeded in making us poor; when we are poor, we can't afford," he said.

(END)