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PM: It's up to Ekran to pick new EPC partner

THE Government has given Ekran Bhd the mandate to pick a new partner for the engineering, procurement and construction contract of the Bakun Hydro-electric Corporation project, following the termination of its negotiation with the ABB-CBPO consortium, Prime Minister Datuk Seri Dr Mahathir Mohamad said.

"We (the Government) have given Ekran the right to make a decision on that," he said at a Press conference after the first day proceedings of the Umno general assembly at the Putra World Trade Centre in Kuala Lumpur yesterday.

On talks that Ekran had found another big local EPC partner in the now deferred RM13.6 billion dam project, Dr Mahathir said: "We do not comment on rumours."

Ekran Bhd Tan Sri Ting Pek Khiing, when met at his office in Kuala Lumpur yesterday, said the new contractor for the dam would be announced soon by the Government, after a decision has been made by BHEC.

Ekran, BHEC's biggest shareholder with a 32 per cent stake, has informed the Kuala Lumpur Stock Exchange on Thursday that BHEC was making "other arrangements" to complete the project.

At a separate function, Minister of Energy, Telecommunications and Posts Datuk Leo Moggie said the suspended project was a private sector undertaking, and (therefore) the Government was not involved in choosing the contractor.

Notwithstanding that the Bakun dam is a national project which the Government wants to see take off, it respects privatisation as a policy issue and would not interfere with the private sector.

"We believe we have to allow the private sector process to take its course and we cannot interfere in how the private sector conducts its business," he added.

He also declined to say whether the Government supported BHEC's decision to terminate the contract, and that it only noted the situation as it was.

Moggie was speaking to reporters after witnessing a signing ceremony between P.E Corrugated Duct Manufacturing Sdn Bhd and its suppliers, Drossbach of Rain and Johs Rieckermann of Hamburg, in Kuala Lumpur.

"We have to be logical and resist the temptation to interfere.

"We can suggest ideas but it is left to the private sector whether they accept the ideas or not," Moggie said.

As for how long the project would be delayed, he said it would depend on how long the developer needed to resolve the issue.

"As far as the Government is concerned, we see the possibility of a delay and we would have to monitor what is the likely scope of delay so that we could prepare and plan in terms of power generation capacity.

"We do not know how long (it will be) until we know the outcome of the differences."

Moggie denied suggestions that the size of the Bakun dam be reduced because details of the project had been decided over several years as the best and least cost option in power generation.

As for disruptions in the supply of electricity, he said there was plenty of time to plan alternatives before the year 2003 when the dam was scheduled to go on-stream.

"If we need the additional capacity we will find a way to build additional capacity," he said.

Asked if the Government would give financial support to BHEC in the event that ABB consortium brings BHEC to court, Moggie reiterated that it was a private sector project.

The shareholders in Bakun Hydro-Electric Corporation Sdn Bhd are Ekran (32 per cent), the Sarawak Government (19 per cent), Sarawak Electricity Supply Corporation (nine per cent), Tenaga Nasional Bhd (five per cent), Khazanah Nasional Berhad (five per cent) and the Employees' Provident Fund (five per cent).

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