

17/08/1997

Row between Ekran and ABB unresolved

Ramlan Said

KUALA LUMPUR, Sat. - The row between Ekran Bhd and Asea Brown Boveri consortium over the engineering, procurement and construction contract to build the Bakun hydroelectric dam has yet to be resolved.

"But solutions are being looked into," Datuk Seri Dr Mahathir Mohamad said today.

On the possibility that there would be a change in the equity structure of the company developing the project, Dr Mahathir said: "That I don't know ... everything is possible."

He was speaking to reporters after opening Gerakan's 26th annual delegates' conference at Bangunan PGRM.

Dr Mahathir was also asked whether it was true that certain mega projects might be suspended as a way to address the current account deficit.

"There is no suspension but a slowdown. Besides there are no mega projects .... I don't know what you mean by mega projects except for the KLIA (Kuala Lumpur International Airport) which is nearing completion."

Saying that the phrase "mega projects" was coined by the foreign media, the Prime Minister said in Malaysia, everything could be considered to be mega.

"Take projects by the private sector for instance. They just do not build housing estates but cities costing billions of ringgit."

On whether Bakun could be considered as a mega project, Dr Mahathir replied: "It is a private sector project and we are not stopping it. Only Government projects are to slow down a little bit, the rest can go on."

Asked to elaborate on his statement yesterday urging local investors to take the lead in the Kuala Lumpur Stock Exchange, Dr Mahathir said this was one way of protecting the bourse and maintaining share prices.

"If not, we will lose. As you know, we already lost more than RM200 billion which is equivalent to four years of the national budget."

On what was lacking among the local investors which had prevented them from playing a more dominant role, he said they thought that they did not have the strength to counter attacks by foreign investors.

On speculations on the ringgit, Dr Mahathir responded: "They can hammer as much as they like but we will come out of this somehow. We are quite confident of managing our economy."

"We will see what they can do. It (appears) it is now legitimate to rob people and this is supported by the world community. So, what do we do? We live in a jungle...."

Dr Mahathir said it was a case of the strong imposing their might as "the strongest people will do what they like".

On whether he was happy with the level of the ringgit, he said: "Of course I am not happy but there are certain things that we have to face. In an open economy, the rich countries have found a way to subvert the poor ones ... they have the money, so they can do this."

On whether Malaysia could benefit from the low ringgit in ways such as attracting more tourists, Dr Mahathir said: "This can be done but it takes a long time. In the meantime, the stability of the ringgit is a problem."

Speculative selling pushed the ringgit to 2.8250 to the US dollar yesterday but it staged a sharp recovery to 2.7780 before the end of the day.

Dr Mahathir later flew to Sabah for a two-day visit.

Bernama reported that he spent more than two hours at the Deramakot Forest Reserve, deep in the jungle about 200km from Sandakan.

Upon arrival by an air force helicopter, Dr Mahathir was received by the Sandakan chief forestry officer, Sam Mannan, who later gave a closed-door briefing to the Prime Minister.

Accompanying Dr Mahathir were Chief Minister Datuk Yong Teck Lee, Federal Land and Co-operative Development Minister Datuk Osu Sukam, Minister in the Prime Minister's Department Datuk Chong Kah Kiat and most of the State Cabinet members.

After the briefing, the Prime Minister proceeded to see the 'skyline yarding system' which uses cables to retrieve logs from the ground in order to minimise disturbance to the soil and other vegetation.

He also witnessed the Reduced Impact Logging method in the vicinity, which among others, uses crawler tractors and bulldozers to pull felled timbers from deep in the jungle.

This method has been proven to cause little soil erosion and damage to residual trees.

Dr Mahathir also planted a tree to mark his visit to the remote centre just before returning to Sandakan to attend a Barisan Nasional dinner.

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