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PARLIAMENT-BAKUN

GOVT ALLOCATES ADDITIONAL RM626.0 MLN FOR BAKUN PROJECT

KUALA LUMPUR, Oct 20 (Bernama) -- The finance ministry today proposed a resolution to finalise the quantum of additional development funding amounting to RM626.0 million as progress payments for the Bakun hydroelectric dam project after the government had taken over it.

Second finance minister Datuk Mustapa Mohamed said the sum was a portion of the RM789.6 million allocated to the Treasury.

He was tabling the resolution at the Dewan Rakyat on the Additional Development Estimates of sub-section 4(3) of the Development Fund Act 1966, which was debated without having to introduce the supplementary supply bill which involved an additional sum of RM2,678,355,040 to pay for development projects of various ministries and departments.

Mustapa explained that from the breakdown of the additional funding of RM626.0 million, RM90 million was for progress payments to Syarikat Dong Ah for the river diversion project, RM100 million was for the advance on compensation payments to Ekran Bhd and RM436 million was to pay financial institutions for loans taken by Bakun Hydro Electric Corporation Bhd.

In July this year, the Dewan Rakyat was told that the government had so far paid compensation amounting to RM40 million to Ekran although the overall compensation was being worked out.

Accounting firm Price WaterhouseCooper was appointed to study the amount of compensation but it had yet to confirm the amount because of a delay in submitting certain documents.

Prime Minister Datuk Seri Dr Mahathir Mohamad when asked about the project cost when he was in Kuching in August this year said it would be much reduced because the government had cancelled its plan to distribute electric power from Bakun to Peninsular Malaysia.

This would save RM6 billion from the original cost of RM13.6 billion for the project. The government has decided to defer the Bakun hydro-electric project earlier this year along with other major infrastructural projects in view of the economic downturn.

The Bakun hydro electric project was supposed to generate 2,400 megawatts of electric power a day.

The government has also spent RM49 million for various construction works at the tunnel near the river. -- BERNAMA

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