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Mahathir-IPP

TNB AND IPP CAN RE-NEGOTIATE POWER PURCHASE AGREEMENT

KOTA BAHARU, Aug 22 (Bernama) -- Tenaga Nasional Berhad (TNB) and Independent Power Producers (IPPs) can re-negotiate power purchase agreement between them, said Prime Minister Datuk Seri Dr Mahathir Mohamad today.

He said if TNB felt that the existing agreement was more to the advantage of IPPs, it could be re-negotiated even though the provisions in the original agreement had been agreed to.

Dr Mahathir said this at a news conference in Kampung Chengal near here at the end of his one-day visit to Kelantan.

He was asked to comment on the statement by TNB Executive Chairman Datuk Dr Ahmad Tajuddin Ali recently that TNB was incurring losses because it had to buy power more than it needed from IPPs even though the demand had declined following the economic downturn.

Dr Ahmad Tajuddin said TNB had to pay RM3.5 billion a year for power from six IPPs and this came to 50 per cent of its overall operating cost.

"The agreement has been agreed but if TNB feels it needs to be re-negotiated for the benefit of both parties, then it should be re-negotiated," said Dr Mahathir.

He said re-negotiation could be held to determine which parties would give way.

Asked why the present agreement had benefited IPPs more than TNB, Dr Mahathir said: "That we have agreed but, if necessary, re-negotiation can be made."

On Malaysia's action to the US air strikes in Afghanistan and Sudan, he said that being a small nation, there was probably nothing that Malaysia could do.

"We don't have the power nor the influence. So we can't do anything," he said.

He also said he did not think that the United Nations Security Council would do something about it either.

Dr Mahathir said Malaysia also condemned acts by terrorists to bomb the US embassies in Tanzania and Kenya which led to 300 being killed and another 5,000 injured.

Embassy bombing is not a way to resolve problem as it would only aggravate situation and lead to innocent people being killed, he said.
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Asked on attempts by certain quarters to undermine the country's political stability by spreading negative news, Dr Mahathir said:

"I don't think it will be a problem. There are those saying such things especially outsiders and there are motives to all these."

He said these people should not interfere in Malaysia's domestic affairs as their interference would only lead to problems.

"The other day they suggested that I be replaced (as Prime Minister) and succeeded by my deputy (Datuk Seri Anwar Ibrahim).

"We are fortunate because not only the ruling party didn't agree to it even the opposition didn't too. In fact (Lim) Kit Siang also disagreed.

"Our affairs are ours to settle, not other people's business," he said.

On a suggestion for an early general election by former Deputy Prime Minister Tun Ghaffar Baba, he said he had to study the matter first.

"We have to study it. I'm not rejecting (the suggestion) but I need to study whether it should or should not," he said.

Dr Mahathir had earlier addressed a meet-the-people session at Sekolah Kebangsaan Kampung Chengal in Ketereh, about 20km from here before opening a mini post office and the Tok Ayah Ali bridge at the village.

He also opened the Pusat Ukhwah, Tarbiyah dan Riadah Rakyat (Putra) at the village, a centre which also helps to increase the sosio-economic standing of the hardcore poor and their children.

-- BERNAMA

AU RAR ABG