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Daim-Kelantan

KELANTAN YET TO DECIDE ON RM600 MILLION LOAN

KOTA BAHARU, June 6 (Bernama) -- The Kelantan state government has yet to decide if it would agree to all the conditions set for the disbursement of the RM600 million Federal government soft loan.

The soft loan is to enable the Kelantan state government overcome water supply woes in the state.

First Finance Minister Tun Daim Zainuddin said the loan has been approved in principle but to be disbursed, the state government must agree to the conditions set.

"The conditions must be adhered to...like a bank loan, it could be recalled if the conditions were not met," he said after giving a briefing on the progress of the national economic recovery plan here today.

The RM600 million soft loan for the Kelantan state government was approved in principle three months ago by Prime Minister Datuk Seri Dr Mahathir Mohamad.

"We are still waiting for the Menteri Besar (Datuk Nik Abdul Aziz Nik Mat) to come to discuss the conditions for the loan," he said.

Tun Daim, who is also Special Functions Minister, said problems yet to be settled concerning Kelantan Water Sdn Bhd might be the reason the Kelantan state government has not been able to meet to discuss the conditions.

The services of Kelantan Water were terminated by the state government in April.

He said the state government might also be facing problems in appointing a new partner as many companies were interested following the availability of the RM600 million soft loan.

In a statement issued in conjunction with his one-day working visit to the state, Tun Daim said every government department and agency has been directed to strive to implement projects scheduled in Kelantan.

He said under the Seventh Malaysia Plan, some RM1 billion had been spent in implementing development projects for the benefit of the people in Kelantan.

He said several projects deferred due to the economic crisis would now be reconsidered for implementation, among them are the expansion of the Sultan Ismail Petra airport in Pengkalan Chepa and the 287km long Simpang Pulai (Perak)-Lojing-Gua Musang (Kelantan)-Kuala Berang (Terengganu) road.

He added that the Federal government has also approved the construction of a 960-metre Tendong/Wakaf Che Yeh bridge in Pasir Mas costing RM175 million.

-- BERNAMA

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