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Tamil Nadu-Petronas

TAMIL NADU CHIEF MINISTER TO CLARIFY ON POWER PLANT DEAL

KUALA LUMPUR, Jan 7 (Bernama) -- Tamil Nadu Chief Minister M. Karunanidhi will clarify on the selection of a German-led consortium to build a multi billion ringgit gas terminal and power plant in the southern Indian state.

"I will make a detailed clarification on this later," he told reporters through an interpreter in a brief media conference on his arrival at the Kuala Lumpur International Airport here today.

Karunanidhi, accompanied by his wife Rajathi Ammal and Minister of Health and Energy Arcot N. Veerasamy, is on a three-day visit to Malaysia.

Indian High Commission officials here said among others, the chief minister would make known the reasons for the decision taken by his state government.

The statement was expected to be made after Karunanidhi's meeting with Prime Minister Datuk Seri Dr Mahathir Mohamad on Saturday, they said.

The US\$1.6 billion (US\$1=RM3.80) Ennore liquefied natural gas (LNG) terminal and power plant project was recently awarded to the Siemens-led consortium despite objections by Malaysia's national oil corporation, Petronas.

Petronas had, in a letter to the Tamil Nadu Industrial Development Corporation, the agency executing the project, objected on the grounds that the Siemens-led consortium had included a 16 percent customs duty in the price bid although the bid document had said that there was no customs duty on LNG.

On his visit, Karunanidhi said it was an opportunity for him to see the areas of cooperation which can be explored between Malaysia and Tamil Nadu.

"The visit is also to reinforce the long existing cultural ties between the peoples of Malaysia and Tamil Nadu," he said.

Karunanidhi and his delegation were met on arrival by Works Minister Datuk Seri S. Samy Vellu, his deputy, Datuk Railey Jeffrey and Deputy Rural Development Minister Datuk K. Kumaran.

This is the second visit to Malaysia for the 76-year-old Karunanidhi who is serving a fourth time as chief minister of Tamil Nadu, a state with a population of 55 million people.

-- BERNAMA

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