

29 JUN 2000

Mahathir-Bakun

BAKUN PROJECT NEEDED DUE TO RISING DEMAND FOR POWER, SAYS PM

KUALA LUMPUR, June 29 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad said today that the Bakun hydro-electric project will go on following pick-up in electricity demand in the industrial sector.

"We face rapid growth in the industrial sector but not in power projects. That is why Bakun must go on to meet the demand by industries," he said.

He said that there was a proposal to produce 500 megawatts of electricity.

"If we set the date today, we can get the project completed in five years' time," he told reporters after launching Universiti Tenaga Nasional in Serdang, near here.

The entire project costs about RM13 billion, but if the 500-megawatt plant is set up, the cost will not be that much.

He said that the Bakun project was still needed as the demand for electricity had suddenly picked up to 9,000 megawatts and between 1998 and last year the usage increased by 1,000 megawatts because of the economic recovery.

"The government is seriously thinking of the Bakun project," he said.

"But at the moment, we need to find users as previously, a smelting company which planned to set up there went to Australia," he said.

"We need to find new investors. Once they have been identified, we can continue with the project as soon as possible," he said.

Asked whether it would be privatised or the government would run the project, he said that "we have to see into it first".

"We will see what is the best option (but) without privatisation, the country will be 10 years behind...we will never make progress," he said.

"We need to go ahead with the project as the government has spent millions of ringgit and half of the project has been implemented. If we don't continue, we will lose out," he said.

He said that the government had not given up and was finding ways to continue its usage.

In June last year, Tenaga Nasional chief executive Tan Sri Dr Ahmad Tajudin Ali was quoted as saying that the company's proposed 500-megawatt power station to revive the Bakun project on a smaller scale is estimated to cost between RM3.5 billion and RM5.0 billion.

Tenaga Nasional was reportedly said to be the lead manager for the smaller scale project which is aimed at generating electricity supply for the power needs of Sabah and Sarawak.

The government took control of the project in November 1997 from Bakun Hydro-Electric Corporation Bhd after it was shelved indefinitely at the height of the regional crisis.

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