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Kelantan to re-apply for RM600m

KOTA BARU, Thurs. - The Kelantan Government will submit a fresh working paper soon to the Federal Government to seek a RM600 million soft-loan to finance the development of water supply infrastructure in the State.

Menteri Besar Datuk Nik Abdul Aziz Nik Mat said he would seek an appointment with Prime Minister Datuk Seri Dr Mahathir Mohamad after the working paper had been approved by the State Exco.

The working paper, he said, would justify that the State Government deserved to be given the loan to carry out its water supply development programmes.

"The working paper will be completed in one or two days, after which it will be tabled at the next State Exco meeting for endorsement," he told reporters after opening a new market in Kedai Buloh today.

The issue on RM600 million soft-loan surfaced in April last year when Nik Aziz announced that Dr Mahathir had approved the fund to help improve the water supply service in Kelantan.

Last December, Works Minister Datuk Seri S. Samy Vellu told the Dewan Rakyat that the Kelantan Government had to submit a new application for the soft-loan to the Federal Government.

He had said that the first loan application had been placed under the consideration of the Cabinet but it was put off due to the Nov 29 general election.

Kelantan has faced a water crisis for some time after it signed an agreement with British-based Thames Water under a privatisation project in 1995 to find a solution to the perennial water problems in the State.

However, the privatisation deal ended in April last year after a long-standing feud between the privatised company, Kelantan Water Sdn Bhd and the State Government.

Subsequently, the State Government through its investment arm, Menteri Besar Incorporated, acquired the entire equity in KWSB and assumed full control of the water supply management.

Nik Aziz said the new working paper would include all aspects of the programme.

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