

PM: Sabah pulp and paper mill deal going well

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KOTA KINABALU: Datuk Seri Dr Mahathir Mohamad said yesterday he was confident that the multi-billion ringgit pulp and paper mill joint venture with China would be implemented in Sabah soon.

The Prime Minister said there were only a few minor issues to be settled among the joint venture partners before an agreement for the project could be finalised.

"It seems that this project is going on well," he said following a briefing by Chief Minister Datuk Osu Sukam and other members of

the state Cabinet.

Dr Mahathir made a 30-minute stopover at the old airport here on his return to Kuala Lumpur from Japan.

Recently, China Fuxing Pulp and Paper Mill president She Jianming met Osu to iron out details of the Malaysia-China mill project to be set up at the Kalabakan forest in Tawau district.

The MoU for the mill was signed between the state government and the Chinese company during Dr Mahathir's visit to China last year but finalisation of the agreement hit a snag after disagreements

arose over the division of shareholding.

The proposed project involved the clearing of 220,000ha of forest and environmental groups had raised fears that such large land clearing for mono cropping could affect the nearby Maliau Basin and Danum Valley conservation areas.

Later, Osu told reporters at the airport that a final agreement for the mill joint venture could be signed before the middle of this year.

He said that China Fuxing officials wanted to settle some details with their government before fina-

lising the deal.

Dr Mahathir also said at his brief meeting that the Sabah Government wanted RM20bil for various development projects under the Eighth Malaysia Plan.

"This is nearly three times the amount given to the Sabah Government for the 7th Plan. We have to consider the needs of other states and the Federal Government as well," he said.

Dr Mahathir added that the state Cabinet members also raised other issues including the setting up of a multi-million ringgit steel mill near Kudat in north Sabah.