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Tenaga help in Bakun project sought

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THE Government is still studying Tenaga Nasional Bhd's offer to take up a stake in the Bakun hydroelectric project along with other investors, and no decision has yet been made.

"We hope Tenaga might play a role in managing the project or at least assist us," Datuk Leo Moggie, Minister for Energy, Communications and Multimedia, said yesterday.

He was asked whether the Government wanted the utility company to acquire a major stake in the RM9 billion project.

"If possible, we want participation from other investors as well," he added without elaborating.

The minister was speaking to the press after opening the Elenex Malaysia 2001 exhibition in the Seri Kembangan township in Selangor.

Tenaga said yesterday that it has offered to take up only a small stake in the project, reiterating a similar announcement on Friday after its shares fell 11 per cent or RM1.10 to RM8.70 on investor concern over its exposure to the Bakun project.

The counter shed another 20 sen to a 17-month low of RM8.50 yesterday.

In a statement, Tenaga chairman Datuk Dr Jamaluddin Jarjis said the company is offering its expertise to help develop the dam, which includes project management and engineering services, and development and management of the trans-Borneo transmission lines.

Tenaga will also assist in the operation and maintenance of the hydroelectric station, he said, making no mention of the size of stake his company is proposing to acquire.

Prime Minister Datuk Seri Dr Mahathir Mohamad was last Friday quoted as saying that Tenaga would take up a majority holding in the project.

The utility giant currently owns five hydroelectric plants. They are located in Kenyir, Terengganu; Chederoh and Temenggor, both in Perak; and Joh and Woh in Pahang.

The Bakun hydroelectric project was taken over by the Minister of Finance (MOF) Inc from Bakun Hydroelectric Corp Bhd in August 1997 after being shelved due to the economic slowdown.

It was revived in March and is being managed by Sarawak Hydro Sdn Bhd, a wholly-owned subsidiary of MOF Inc.

In his speech, Leo Moggie said the Government intends to step up the TNB Entrepreneur Development Programme and Petronas Vendor Development Programme as part of efforts to boost local content in future power-related projects.

The measures will be pursued under the Third Outline Perspective Plan which targets the creation of power sector investment opportunities worth RM30 billion.

Of the total, power generation will account for RM18 billion or 60 per cent, and transmission and distribution RM6 billion or 20 per cent each.

But up to 70 per cent of the investment could end up flowing out of the country if Malaysian power industrialists do not tap internal resources for their projects, he warned.

"It has been found that Tenaga and the independent power producers utilised less than 20 per cent of local components and materials in the nine power generation projects developed from 1990 to last year," Leo Moggie said.

The Government will introduce a minimum local content level for future

projects but the percentage has yet to be decided, he added.
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