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Power change

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IS THERE likely to be a change of guards at Tenaga Nasional Bhd (TNB) soon?

In recent weeks, speculation has been rife that current chairman Datuk Dr Jamaludin Jarjis will exit the national power company when his two-year term expires on Aug 31. He has held the post since Sept 1, 2000.

One version of the story is that Jamaludin is leaving TNB for bigger things, possibly up the political ladder. The Member of Parliament for Rompin could be slated for a deputy minister's post. If so appointed, he would definitely leave TNB.

There is talk of an impending Cabinet reshuffle to rejuvenate the Prime Minister's team. Several ministerial portfolios may be injected with new blood, including the Finance Ministry where a new face could be taking over from Prime Minister Datuk Seri Dr Mahathir Mohamad. There is speculation that Jamaludin is among those who would fill the available posts.

That aside, Jamaludin's position as TNB chairman is said to be anything but rock-solid, with speculation pointing to a replacement. A few names have been bandied about, including that of former executive chairman and chief executive officer Tan Sri Ahmad Tajuddin Ali and Datuk Fuad Jaafar.

According to industry sources, the post could have been offered to Ahmad Tajuddin who is currently chairman of Gas Malaysia Sdn Bhd. It is learnt that Ahmad Tajuddin, who helmed TNB from 1996 to August 2000, would only accept the post on certain conditions.

The other possible contender, Fuad, had been with TNB for 35 years until his retirement in October last year. Fuad still sits on the board of several TNB subsidiaries.

Sources say Fuad could be acceptable for the post of TNB chairman as he is not tied to any corporation at the moment.

Jamaludin was recently caught in a storm due to a dispute between TNB and the Union Bank of Switzerland (UBS).

TNB is being sued by UBS over the termination of option agreements with the bank. In 1997, TNB issued a US\$500 million Yankee bond maturing in April 2007 to raise funds for its capital expenditure. UBS was the lead manager and underwriter. The issue was done in two tranches, with an option to UBS in respect of each. TNB terminated the two options last September.

UBS had issued legal proceedings against TNB last February in the High Court in London, claiming a sum of US\$86.9 million in respect of the termination of the options. TNB, which has denied liability in full, filed a counter-claim in May.

The dispute and court case only surfaced and was made known to the public in June, which led to criticism that the utility giant had not adhered to proper corporate governance and transparency practices.