

11 JUN 2003

Mahathir-Water

PM WANTS WATER SUPPLY BY STATE GOVERNMENT REVIEWED

PUTRAJAYA, June 11 (Bernama) -- Datuk Seri Dr Mahathir Mohamad said today the state governments have been asked to review whether they want to continue to be responsible for water supply in their respective state as they are unable to do so from the financial aspect.

The Prime Minister said the cost of developing infrastructure for water supply including the construction of new treatment plants was enormous which resulted in the state governments having to borrow money from the federal government.

He said the loan burden was too massive that the state government would not be able pay back the loan "forever".

"It becomes too great a burden on the state governments and we propose that such responsibilities be reconsidered," he told reporters after chairing the meeting of Menteris Besar and Chief Ministers which was also attended by several cabinet ministers, here.

Dr Mahathir said the loans could only be written off if the state government concerned was declared bankrupt. "But we cannot do this," he added.

Dr Mahathir, however, said although water supply was sometimes privatised, the company that was awarded the project could not afford to implement it without subsidy from the government.

He said the responsibility of providing water supply was given to the state governments based on the Federation Agreement signed in 1957.

Asked on the views of the Menteris Besar and Chief Ministers on the matter, Dr Mahathir said: "They seem to agree as they can't afford it.

"Supply must be made but they can't afford it, they have to borrow and the accounts each year show that the loans have not been settled. Just like the NPL (non-performing loan) too."

Asked whether a new agreement would be made, the Prime Minister said all related matters would be discussed at the meeting of the National Water Council.

He did not disclose when the meeting will be held.

-- BERNAMA

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