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Sabah-Water

SABAH TO HAND OVER WATER SUPPLY IF PRIVATISATION FAILS

KOTA KINABALU, Aug 1 (Bernama) -- Sabah will hand over the running of the State's water supply to the Federal Government if its privatisation to Ranhill Bhd fails, Chief Minister Datuk Musa Aman said today.

"We have decided to privatise the water supply and if the move is successful, then our burden would be lessened. However, if it fails, we will ask the Federal Government to take over," he told reporters at the Kota Kinabalu International Airport upon his return here from Kuala Lumpur.

At the recent National Water Council meeting, chaired by Datuk Seri Dr Mahathir Mohamad, the Prime Minister called on the States to hand over their respective Water Supply Departments (JBA) to the Federal Government.

Musa admitted that the States were incapable of running their water supply operations as these needed massive funding which only the Federal Government could provide.

However, Musa hoped that negotiations between the Sabah Government and Ranhill on the privatisation deal could be finalised within this year.

It is learnt that the Sabah Government had to pay over RM600 million in arrears and interests to three firms -- Jetama Sdn Bhd, Timatch Sdn Bhd and Lahad Datu Water Supply Sdn Bhd -- under the previous privatisation deal to supply water in the State.

The amount collected by the Sabah JBA was not enough to offset this arrears as water pilferage and pipe leakages frequently occurred.

-- BERNAMA

MK ZUL SRI