

S'gor unveils new RM9b offer for water assets
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The Selangor government has unveiled its latest offer of over RM9 billion to completely takeover the state's four water concessionaires.

The offered price per share for the four are RM64.62 for Puncak Niaga (M) Sdn Bhd, RM20.78 for Bekalan Air Selangor Sdn Bhd (Syabas), RM5.95 for Syarikat Pengeluar Air Selangor Sdn Bhd (Splash) and RM9.39 for Abass Sdn Bhd (Abass).

"This offer includes acquisition of all company asset and liability. All employees of the companies also involve in this acquisition.

"The offer price is set through process vetted by professional audit firm according to international security standard," said Menteri Besar Khalid Ibrahim.

Khalid's announcement today marks the first major progress after the federal government gave greenlight for the state to continue negotiations with the water concessionaires.

The stand-off between state government and the water concessionaires began in February last year when the state made a RM5.7 billion offer to buy the water concessionaires.

MB: A fair offer

The state is arguing that unless the state government manages the water supply chain, tariff prices will go up due to lopsided concession agreements awarded by the previous administration.

During the press conference, Khalid told reporters that the acquisition offer documents had been sent to the respective companies today.

He revealed that the documents stipulate that should the companies disagree with the price offered, they could bring their case for international arbitration and the state would follow whatever decision was made by the arbitrator.

"The Selangor state government is of the view that this is a fair and reasonable offer, in line with our commitment to take over all asset and responsibility of the companies.

"This offer also will give fair returns to the shareholders of the companies involved," said Khalid.

He reiterated that the offer is in accordance with the Water Services Industry Act 2006 and national water policy which required the fragmented water industry to be integrated and managed holistically by the state government.

"The restructuring of water industry and the problems arisen from this issue had proven that the water privatisation done by the previous state administration has failed."

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