

DPM defends Bakun dam sale, not a bailout
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Malaysia on Monday defended its plan to sell the troubled Bakun dam in Borneo, denying it was a bailout for the controversial multi-billion-dollar project.

The mega-dam in Sarawak state, which is nearing completion after nearly two decades of setbacks and delays, has long been condemned as a catastrophe for the environment and tribal people.

Lately it has also been battling suggestions it could become a giant white elephant as the national government struggled to strike a power purchase deal with the only viable customer, the state government of impoverished Sarawak.

The Sarawak authorities have now offered to buy the dam, but at a lower price than that reportedly sought by the federal government, eliciting opposition criticisms that the sale is a hugely expensive bailout.

"No, this is a commercial deal," Deputy Prime Minister Muhyiddin Yassin told reporters.

"We will consider the actual cost (of the project) and make a decision that is beneficial to both," he said, confirming the government will proceed with the sale.

Sarawak has offered RM6 billion (USD1.94 billion) to acquire the dam, lower than the 8.0 billion ringgit reportedly sought by the federal government.

Muhyiddin declined to confirm the 8.0 billion ringgit figure, saying the price will be decided later.

"It's common when people want to buy, they will request for a lower price. I believe when we are at the decision stage, there will be a reasonable price that is accepted by both parties," he said.

Transparency International has labelled Bakun a "monument of corruption", and analysts have questioned how the Malaysian government can ever recover the money it has sunk into the project.

The dam, which involves flooding an area the size of Singapore, has been dogged by problems since its approval in 1993, and the delays have incurred large cost overruns.

The Bakun's output far exceeds existing energy needs in Sarawak, and is mostly destined for industrial users such as aluminium smelters, but these are still on the drawing board.

There has also been fierce criticism over its environmental impact and over the botched relocation of 15,000 indigenous people.

- AFP