

S'gor to bid for water companies
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The Selangor government on December 3 received a formal approval from the Energy, Green Technology and Water Ministry to buy all the four water concession companies in the state, Menteri Besar Abdul Khalid Ibrahim said.

With this, the state government plans to conduct an open tender offer to buy all the four companies to carry out its plans to restructure the state's water supply industry.

"We will conduct an open tender in accordance with the Securities Commission's conditions to make the purchase within two to three weeks," he told reporters in Shah Alam today.

The four water concession companies are Syarikat Bekalan Air Selangor Sdn Bhd (Syabas), Puncak Niaga Sdn Bhd (PNSB), Syarikat Pengeluaran Air Sungai Selangor Sdn Bhd (Splash) and Konsortium ABASS.

Abdul Khalid said he believed that the federal government decided to give some leeway in the water issue to speed up the raw water transfer project from Pahang to Selangor to supply 1,890 million litres of water a day to the Klang Valley.

Prior to this, there had been several disputes between the state government and Syabas which manages water supply in the state. The issue of raising water tariff had been also a bone of contention between the two parties.

Abdul Khalid said in November that the state government wanted only a 15 per cent rise in water tariff under the water restructuring plan which was under negotiation.

According to the Selangor water industry privatisation agreement signed in 2004 by Syabas, the federal government and state government had fixed the increment in water tariff at 37 per cent in 2009, 25 per cent in 2012 and by another 20 per cent in 2015, Abdul Khalid said.

Currently, the domestic water tariff rate in Selangor is 57 sen for the first 20 cubic metres and if the concession agreement is to be followed this will increase the water tariff to as much as RM1.17 for every cubic metre in the year 2015.

However, the state government is not agreeable to the increase in the water tariff, he said, claiming that Syabas did not follow the conditions set out in the water concession agreement.

If the water concession industry is restructured, the water tariff rate can be brought down and the price of water supply can be stabilised, he said.

- Bernama