

Khalid in water management talks with France, UK firms
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KUALA LUMPUR, March 19 — The Selangor menteri besar has met with two foreign water operators in preparation for the planned takeover of state water assets from private concessionaires.

Tan Sri Khalid Ibrahim said France-based Suez Environment and Britain's Wessex Water were ready to share their water management expertise with Selangor to ensure the state's model will not only be efficient but competitive.

"The standoff on the negotiation for the state to take over the water services industry from the concessionaires... should not stop the state from making the relevant preparations.

"We are happy that these experts are willing to share their technological know-how with us," he said in a statement from his press secretariat.

But Khalid stressed that any bilateral co-operation with either company would first be subjected to a "transparent and accountable process" to guarantee the services represented value for money.

The menteri besar will speak to Malaysian students in London this Friday on Malaysia's "failed" privatisation of water utilities. He had earlier presented a paper on the topic at the World Water Forum, which took place last Wednesday.

The transfer of water assets is required under the Water Services Industry Act (WSIA), which will see all such assets in peninsular Malaysia put under federal control before being leased back to licensees in individual states for operation.

But Selangor and Putrajaya have been deadlocked since Pakatan Rakyat (PR) took control of the state in 2008, with neither side wanting to give the other control over the critical water industry.

Control of Selangor's water assets is critical for PR to set tariffs and fulfil its campaign promise of free water for all residents in the state.

A key stumbling block in talks has been disagreement over the value of water assets in Selangor, estimated to be RM1 billion by Putrajaya but RM10.98 billion by the state government.

The federal and state governments are also at loggerheads over the proposed Langat-2 water treatment plant, which Putrajaya has said is needed to ensure Selangor's water supply in the future.

Selangor, however, has stressed several times now that there will no discussion on Langat-2 until the water asset issue has been dealt with, a condition federal government has

rejected.

Putrajaya instead urged Selangor not to politicise the state's water woes but to work with central government, repeating its warning that the nation's richest state will face a water supply crisis in 2014.

Selangor's privatised assets also provide water to the federal territories of Kuala Lumpur and Putrajaya.

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