



Saturday September 9, 2006

Sabah wants details on debt figures

By MUGUNTAN VANAR

vmugu@thestar.com.my

KOTA KINABALU: Sabah wants to find out more from the Auditor-General on the state's purported RM888mil debt to three private water concessionaires. State Infrastructure Development Minister Datuk Raymond Tan said Sabah wanted to know how the government auditors arrived at the amount due to the three concession companies. "I am not disputing the auditor's report. We just want to know how the amount owed was worked out, as we do not want to be seen as not honouring our deals," he said when contacted yesterday.

Tan said he would meet the state director of the Auditor-General's office soon on the matter. "We will cooperate with them to help ascertain the real picture," he said when asked on the Auditor General's report that Sabah owed the three companies RM888.08mil as at February 2005. Tan said there were two elements under the privatisation projects – one involving the infrastructure for production facilities, and the second for purchase of water produced by the three concessionaires.

On the infrastructure, he said that since the deal was signed in 1993 the state government had paid out about RM900mil to the concessionaires. On the water purchase from the concessionaires, Tan said the state government was paying for it annually although there were times when payments were slightly delayed as the government needed an allocation under the state budget. "We hope the Auditor-General can tell us how much has been paid to the concessionaires in terms of infrastructure repayment," he said, adding that the concessionaires had stopped undertaking water infrastructure facilities.

The state had obtained a RM1.2bil Federal loan to build water facilities in the state, Tan said, adding that between 1993 and 1997, Sabah had signed separate agreements with three companies to produce water for Kota Kinabalu, Sandakan and Lahad Datu.