

05 DEC 1997

Anwar-Bridge

GOVERNMENT DEFERS LAND BRIDGE PROJECT

KUALA LUMPUR, Dec 5 (Bernama) -- The government has deferred the proposed RM10 billion land bridge project linking northern peninsular Malaysia and southern Thailand but the RM1.8 billion gas pipeline project, which is part of the package, will proceed as scheduled.

Deputy Prime Minister Datuk Seri Anwar Ibrahim said today the land bridge project would proceed but the timeframe had not been determined due to the economic and financial turmoil faced by Malaysia and Thailand.

Anwar, who is also finance minister, was clarifying today's press reports quoting Prime Minister Datuk Seri Dr Mahathir Mohamad as saying that the project, a joint construction of a 200km land bridge for carrying road, rail and pipeline traffic, would proceed.

"I have discussed the matter with Prime Minister Datuk Seri Dr Mahathir Mohamed and he (Dr Mahathir) said he did not say when the project will start," he said

"The gas pipeline project will begin from the joint development authority area to the south of Songkhla, where 50 per cent of the gas will go to Bangkok, another 50 per cent will go downwards to the south of Thailand up to Bukit Kayu Hitam," he told reporters when he announced additional measures to boost the economy in the wake of the country's economic situation.

During a dialogue with participants of the Malaysian International Maritime Conference in Langkawi yesterday, Dr Mahathir said that due to congestion in the Straits of Malacca, the government would proceed with its plan for the RM10 billion land bridge project despite the ringgit depreciation.

He said the project was a very viable one and was one of the projects that "we wish to do although it will cost us almost RM10 billion."

Anwar said there are several packages in the land bridge project and the first one involved the laying of the gas pipeline from the area under the joint development authority between Malaysia and Thailand.

This laying of gas pipeline would go ahead as it was considered appropriate and could not be stopped, unlike the other packages of the project, including the construction of the highway, Anwar said.

He said that both Malaysia and Thailand were not in a position to start the land bridge project due to the economic turmoil the two countries were experiencing.

"The land bridge project will be deferred until the economic situation allows it," he added. -- BERNAMA

ARA JK