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GOVT WILL LOOK INTO FUNDING PROBLEMS OF MONORAIL PROJECT, SAYS PM

PETALING JAYA, March 2 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad says the government will look into the request from the contractor of the Kuala Lumpur monorail project for some form of financial help.

KL PRT Sdn Bhd, the contractor, was reported to be facing liquidity problems.

Dr Mahathir said there should not be a problem as the company could borrow from the banks and carry on with the project.

"There shouldn't be a problem. I think they can borrow money and obviously they have to borrow money," he said when asked to comment on the delay in the completion of the monorail project.

Dr Mahathir said the government could help the contractor if it was facing problems with the cost of borrowing.

"The banks have money now and I am told that the interest rates have come down...they should be able to borrow the money to continue with the project," he added.

"Maybe it is the cost of borrowing that could be the problem for them, but the government would certainly look into the problem," he said.

KL PRT had said on Friday that it had not abandoned the monorail project although the pace of construction had been affected by the prevailing economic situation.

It did not rule out, however, the possibility of the project not being completed ahead of the Commonwealth Games in September.

In responding to claims by Segambut member of parliament Dr Tan Kee Wong that construction had come to a standstill, the concession holder of the RM2 billion project said it had to review the construction programme and work out new financing arrangements.

The monorail is to run along several of the busiest roads in Kuala Lumpur and complement other public transportation networks for the Commonwealth Games.

-- BERNAMA

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