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Multi-billion ringgit projects deferred (HL)

Sarban Singh

KUALA LUMPUR, Wed. - Two multi-billion ringgit projects have been deferred and allocations meant for them would be used to finance the construction of low-cost houses instead, the Cabinet decided today.

Second Finance Minister Datuk Mustapa Mohamed said the projects were the RM1.8 billion South Klang Valley Expressway and the RM2 billion Kuala Lumpur International Airport Dedicated Highway.

The Government had earlier agreed to provide a total of about RM1.04 billion in soft loans and grants for these projects.

Speaking at a Press conference at his office, Mustapa said the deferment would not cause any inconvenience to the people or bring about any adverse effects.

Channelling the money to low-cost house construction would help meet demand for such houses, he said.

"Although Bank Negara and Petronas have allocated RM1 billion each for the low-cost housing fund, it is still insufficient to meet the great demand for such houses," he said.

Earlier this year, Syarikat Perumahan Negara was incorporated with a capital of RM2 billion to provide loan facilities to developers of low-cost housing projects.

The SKVE project was awarded to Konsortium Gadek-Perspec Sdn Bhd while the KLIA Dedicated Highway was to be undertaken by Konsortium Lapangan Terjaya Sdn Bhd.

Also present at the Press conference were Deputy Finance Ministers Datuk Dr Affifuddin Omar and Datuk Wong See Wah, and Inland Revenue chief executive officer Najirah Tassaduk Khan.

While presenting the 1999 Budget last Friday, Prime Minister Datuk Seri Dr Mahathir Mohamad said the Government was concerned with the housing needs of the low income group.

Mustapa said the move to transfer the soft loans and grants for the construction of low-cost housing would come in handy as Bank Negara had received 146 applications to build low-cost houses under the SPN scheme.

He said, however, the Government had not decided how much of the RM1.04 billion would be used to finance the construction of low-cost houses.

"The Cabinet also felt that the present highway network was sufficient to cater for commuters travelling to and from the KLIA. We have enough highways for now and can make do without the new highway projects for the time being," he said.

Among the highways leading to the KLIA are the ELITE Highway via the Kuala Lumpur-Seremban Expressway, via Nilai and Salak Tinggi off the Kuala Lumpur-Seremban Expressway and through KESAS Highway.

He said the Cabinet also decided to defer the projects as it had not received any complaint from road users on gaining access to the KLIA.

Mustapa said the Cabinet also approved the renaming of Bank Pembangunan Malaysia to Bank Pembangunan dan Infrastruktur Malaysia.

He said with this, the Infrastructure Development Corporation would cease to continue.

"The financial allocation previously given to the IDC will be transferred to Bank Pembangunan dan Infrastruktur Malaysia as it will be able to use it to finance Government infrastructure projects," he said.

The IDC was established in July under the Ministry of Finance Incorporated to manage the country's RM5 billion Infrastructure

Development Fund as a means to reduce the burden of the Federal Government expenditure.

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