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CHIEF MINISTER

CONTRACT EVALUATION IN TAMIL NADU TRANSPARENT, SAYS CHIEF MINISTER

KUALA LUMPUR, Jan 9 (Bernama) -- Evaluation of government contracts in southern Indian state Tamil Nadu is conducted in a transparent manner, said the state's chief minister M. Karunanidhi today.

The evaluation process of tenders are "extremely transparent, open and speedily", and transparency is Tamil Nadu government's hallmark, he told reporters at the end of his three-day visit to Malaysia.

He was clarifying reports on Petronas's objection to its failure in securing a contract for a liquefied natural gas (LNG) project in the state.

Recently , Petronas which was bidding for the project, objected the Tamil Nadu Industrial Development Corporation's decision to award the US\$1.6 billion (US\$1 = RM3.80) Ennore LNG terminal and power plant project to the Siemens-led consortium.

The Malaysian oil giant objected that the contract was awarded on the ground that the Siemens-led consortium had included a 16 percent customs duty in the price bid although the bidding document had said that there was no custom duty on LNG.

On whether such event would affect business ties between the state and Malaysia, Karunanidhi said it would not likely to happen as during his meetings with some Malaysian ministers and also Prime Minister Datuk Seri Dr Mahathir Mohamad today, the issue was not raised.

He also said that Tamil Nadu, a state with 55 million people in India, offers a tremendous investment opportunity to Malaysian investors and entrepreneurs.

He called for greater Malaysian participations in the infrastructural sector in the state.

Malaysia has been involved in several infrastructure projects in Tamil Nadu such as the Chennai bypass, a four-lane expressway in Andhra Pradesh and another four-lane expressway in West Bengal.

Another areas offering vast potential to Malaysian entrepreneurs power generation and underground water supply, he said, adding that Tamil Nadu is also interested to develop a minor port in Kulachal with Malaysian parties.

Tamil Nadu also welcomes Malaysian companies to invest in the information technology sector in the state as it offered a relatively cheaper and quality workforce, besides some incentives, he said.

As a whole, Malaysia's trade with India rose to RM8.006 billion at the end of November 1998 from RM5.441 billion in 1997, accounting for 1.2 percent of Malaysia's global trade.

Accumulatively, Malaysia has invested RM1.715 billion in the infrastructure and manufacturing sectors in India. -- BERNAMA

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