

05/11/2001

Funding priority sought for S'pore-Kunming rail link (HL)

Kamarul Yunus

THE Asean-Mekong Basin Development Cooperation (AMBDC) wants the US\$2.5 billion (US\$1 = RM3.80) Singapore-Kunming Rail Link (SKRL) project to be given top priority in terms of funding.

This was one of the recommendations agreed upon by member countries at the October 8-9 AMBDC ministerial meeting in Chiang Rai, Thailand.

Ministry of International Trade and Industry parliamentary secretary Datuk Fu Ah Kiow, who attended the meeting, said leaders of Association of South-East Asian Nations (Asean) will affirm the proposal at their Seventh Summit starting today in Brunei.

"Setting the modalities for funding the rail link project is important. Otherwise the project will not take off," he told Business Times.

He said Asean leaders will also endorse the route of the SKRL as proposed at the Asean Informal Summit in Singapore in November 1999.

"Although Asean has endorsed the route at the informal summit, AMBDC members want the Asean leaders to affirm the decision," he said.

He said the route was based on findings of feasibility studies conducted by Malaysian consultants - KL Consultant, Zaaba Consultancy and the Economic Faculty of Universiti Malaya.

Three routes, spanning eight countries, were proposed:

- * Singapore-Kuala Lumpur-Bangkok-Phnom Penh-Hanoi-Kunming;
- * Singapore-Kuala Lumpur-Bangkok-Vientiane-Hanoi-Kunming; and,
- * Singapore-Kuala Lumpur-Bangkok-Yangon-Kunming.

Fu said various options for the rail link were presented to the AMBDC meeting.

"But we have decided to stick to the route endorsed by the Asean Informal Summit in Singapore. We want a route that will bring high returns and is cheap to build," he said.

AMBDC has proposed that countries like Thailand, Cambodia, Laos, Myanmar and Vietnam include the missing links into their respective national development plans.

"It is up to the respective countries to come up with the best possible way to finance their portions of the project, be it privatization, nationalisation or funding from financial institutions," he said.

At the same time, the participating countries are also urged to get their private sectors to play a key role.

"If the private sector has a viable proposal for the rail link, it is welcome to submit its idea to its own government.

"Companies are also free to make project proposals involving another member countries," he said.

For example, KTM Bhd is exploring the possibility of venturing into Cambodia to prepare for the eventual establishment of SKRL.

The rail link project, as mooted by Prime Minister Datuk Seri Dr Mahathir Mohamad at the Asean Summit in 1995, will connect Singapore, Malaysia, Thailand, Cambodia, Vietnam, Laos, Myanmar and Kunming in south China.

Myanmar will host the meeting of the special working group on SKRL next year.

Malaysia's chairmanship of the working group expires at end-2001.

The AMBDC agenda for 2002 includes ministerial and steering committee meetings in Cambodia and a finance expert group meeting in Vietnam.

Meanwhile, AMBDC members have accepted the participation of Japan and

South Korea as core members of the grouping, Fu said.

In addition, two training projects proposed by Malaysia were approved - one on groundwater resources development and the other on remote sensing and geographic information system for forestry personnel in Cambodia, Myanmar, Laos and Vietnam.

The cost of the two projects at US\$105,000 will be borne by the Asean Foundation.

(END)