

Nadzmi resolves financing problems

Nst 16 MAR 2002

EXPRESS Rail Lmk Sdn Bhd executive chairman Datuk Mohd Nadzmi Mohd Salleh, who was appointed to the post on April 14, 1998, suffered nightmares soon after.

His problem?

How to secure the financing to pull off the mega project during the most serious financial crisis to hit Asia in decades, sending foreign investors fleeing the region in fear.

"To get the financing itself was a miracle as Malaysia had been downgraded (in world financial markets)," Nadzmi revealed to *NST Business* in an interview which was held recently.

"Prime Minister Datuk Seri Dr Mahathir Mohamad asked me whether I could do it or not and I said I would try my best," he recalled.

"I was relieved when the German Government was willing to finance us with good credit terms.

"Even the Prime Minister was equally surprised and pleased with the results.

"He wanted to come for the signing ceremony but as he was very busy, he could not make it.

"I have had nightmares concerning the financing of the project but I had not told anyone about it before."

Nadzmi said that without the financing, the project could not have been implemented.

"Credit has to go to the ERL

shareholders, the German Government and Siemens for the successful implementation of the project. As for myself, I am only the co-ordinator," he said.

The RM2.4 billion ERL project, which was delayed for almost two years, was able to take off after it managed to secure a combined loan of 665 million deutschemark (RM1.35 billion) in April 1999 from a consortium of four German banks which included Kreditanstalt fur Wiederaufbau (KfW), which is wholly-owned by the German Government.

The other three banks are Bayerische Hypo-und Vereinsbank, Dresdner Bank and Bank Gesellschaft Berlin.

Besides the four banks, the ERL project also secured a loan of RM940 million from Bank Pembangunan dan Infrastruktur Malaysia Bhd, while another RM500 million came from the two shareholders of the concessionaire.

The two shareholders are Tabung Haji Technologies Sdn Bhd, which holds a 60 per cent share, and YTL Corporation Bhd which owns the remaining 40 per cent.

Siemens Transportation Systems (TS) was responsible for building the track, the new stations and the depot, as well as supplying 12 Desiro typetrains for the project.

TS will also be involved in operating the route.