

09/09/2002

Call to hasten work on S'pore-Kunming link (HL)

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THE Asean-Mekong Basin Development Cooperation (AMBDC) has proposed that member countries set aside funds in their national budgets to move forward the US\$2.5 billion (US\$1 = RM3.80) Singapore-Kunming Rail Link (SKRL) project.

This was one of the recommendations agreed during the fourth AMBDC ministerial meeting in Siem Reap, Cambodia, on August 9-10.

Association of South-East Asian Nations (Asean) Secretariat deputy secretary-general Tran Duc Minh said the national governments should provide budgetary allocations from their national budgets for the implementation of sections projects in which they are involved.

"There is a need for strong political commitment and support for the SKRL. To move forward the SKRL project, a national allocation is needed," he said in response to Business Times' query via email.

He was asked on the progress of the SKRL project, which was discussed at the AMBDC ministerial meeting in Siem Reap.

In addition to technical assistance from the Asian Development Bank (ADB), Minh said that technical assistance is required for additional feasibility or preparation studies for the SKRL's other missing sections and spur lines, for eventual implementation on a phased or staged basis.

He said that funds from Asean dialogue partners, international and regional organisations and private sectors in both Asean and non-Asean countries should be mobilised.

He also said the AMBDC had recommended the establishment of smart partnerships with the private sector.

"They (private sector) should be given opportunities to participate actively in AMBDC projects.

"There is also a need to urge the private sector into participating in the development, co-financing or joint management and operation of priority AMBDC projects," he said.

These included establishing consortiums to raise funds for each section of the private sector, the governments concerned and international organisations such as the ADB, he added.

Leaders of the AMBDC also took note of the need to introduce innovative incentive packages to entice the private sector to participate in the project.

"The rationale of these incentives is to make the project viable and attractive.

"Some of the incentives include provision of land parallel to the rail line for commercial purposes, tax holidays and the establishment of export processing zones," he said.

Minh said there is a need to organise workshops to promote and increase the level of awareness of the SKRL project among those in the private sector.

Mooted by Prime Minister Datuk Seri Dr Mahathir Mohamad, the SKRL was proposed at the Fifth Asean Summit in Bangkok in December 1995, with Malaysia as the project coordinator. The SKRL project is the core of the AMBDC programme.