

Ircon may be nominated sub-contractor for rail project

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INDIAN Railway Construction Co (Ircon) may be appointed "nominated sub-contractor" if the government is amenable to the new price offer for the 70% work on the Ipoh-Padang Besar stretch of the multi-billion ringgit double-tracking rail project, said Works Minister Datuk Seri S. Samy Vellu.

"I have had discussions with Indian Foreign Minister Yashwant Sinha and Ircon officials and they agreed to come down to a price which would be agreeable to Malaysia," he said in Kuala Lumpur yesterday.

If the deal was finalised, Samy Vellu said the contract would be awarded on a government to government basis as previously agreed.

"Prime Minister Datuk Seri Abdullah Ahmad Badawi wanted the contract to be given out directly to the Indian government and it would purchase palm oil as agreed under a barter trade," he said.

He said Ircon would undertake the 70% work on the northern sector of the rail and would be paid directly by the government.

"It can be called a nominated sub-contractor. They are nominated sub-contractors appointed by the government and they get their payment from the government, not through the main contractor," he said, adding that the Cabinet would discuss the proposal.

Samy Vellu said the MMC-Gamuda joint venture, which had been given the Letter of Award by the government, was still the main contractor.

To a question on whether the Chinese Railway Engineering Corp (CREC) would be involved in the southern part of the project, he said he was not aware of the matter.

"There might be discussions between CREC and the government. You have to ask Transport Minister Datuk Seri Chan Kong Choy," he said.

Malaysia had given letters of intent on the railway project to Ircon and CREC but days before Tun Dr Mahathir Mohamad resigned as Prime Minister on Oct 31, it was given to MMC-Gamuda.