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ABDULLAH-TRACK

CABINET STRONGLY FEELS PROJECT SHOULD BE POSTONED, SAYS ABDULLAH

By: Mohd Fisol Jaafar

TOKYO, Dec 11 (Bernama) - The Cabinet strongly feels the RM14 billion double-track railway project should be postponed for now, at a time when the country is facing a budget deficit and priority be given to projects already committed to under the Eighth Malaysia Plan, Datuk Seri Abdullah Ahmad Badawi, said here today.

The Prime Minister said that Cabinet ministers, at their meeting in Kuala Lumpur yesterday, acknowledged the benefits to be derived from the project, but felt that it was too costly at this point in time when the government should be prudent in its financial management.

Speaking to the Malaysian media after his bilateral meeting with Thai Prime Minister Thaksin Shinawatra on the sidelines of the ongoing two-day Asean-Japan Commemorative Meeting, Abdullah said the Cabinet would look at more details on the project and would make a final decision on the fate of the project at its meeting next Wednesday.

The double-track project given out to the Malaysia Mining Corporation Bhd-Gamuda Bhd (MMC-Gamuda) consortium was to be the single most costly project ever carried out by the country but it was not a project under the Eighth Malaysia Plan.

It ran into a major controversy recently after Chinese Railway Engineering Corp (CREC) of China and Ircon International Ltd of India, which were originally given a letter of intent to undertake the work, lost out to MMC-Gamuda which had submitted a lower counterbid.

There were concerns that this would sour bilateral relations with China and India, particularly on the possibility of these countries cutting their purchase of Malaysian palm oil.

The Prime Minister said the issue (project being too costly) had been discussed many times previously, even during Tun Dr Mahathir Mohamad's leadership.

Abdullah, who is also Finance Minister, explained that the decision to postpone the project was not because the government had run short of funds but it wanted to prioritise projects in the development plan under the 8MP.

"We have committed to implement those projects, so we must give priority to them. There are many projects involving education, health, social development, agriculture," he said.

Taking that into consideration, Abdullah said the Cabinet yesterday decided to give the double-track project a once-over and look at it in detail before making a final decision next week.

Abdullah said that the plan to shelve the project would not be a contractionary policy of the government.

"It is a policy that relates very much to how we manage our finances by adopting prudent financial management measures."

"We want to attain a balanced budget. The country's financial position is one that is continuously monitored," said Abdullah.

He reiterated that the project would not be scrapped but postponed and if in the future, it is revived, the party which had been awarded to undertake it, would be given the right to decide (whether) it would still be interested to continue with it or not. -- BERNAMA

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