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MAHATHIR-TRACK

CONSORTIUMS TOLD TO CUT DOUBLE TRACKING COST FURTHER

KUALA LUMPUR, Aug 23 (Bernama) -- Consortiums, which have been given letters of intent to negotiate on the double-tracking and electrification works for the northern and southern grids, should further cut the project's estimated cost, Prime Minister Datuk Seri Dr Mahathir Mohamad said here today.

He disclosed that the consortiums have actually brought down their initial quotation to RM24 billion from RM42 billion following the government's objection that their projected cost was too high.

"When we say that it is too high they reduce it to RM24 billion, which means that they must have overpriced the cost, and even RM24 billion can still be reduced," he told a press conference after launching Modenas's new moped and scooters here.

Asked on the government's budget for the project, he said: "The lowest budget possible."

Ircon Railway Construction Co leads the consortium which is prepared to undertake the 338.8 km northern grid linking Ipoh to Padang Besar, while China Railway Engineering Corp leads the consortium to build the 297 km job linking Seremban with Johor Baru.

Dr Mahathir was also asked on the firms that would be chosen to build the northern and southern stretch.

He said that the offer was given to both Ircon and China Railway but they must reduce the cost to a much more reasonable level.

"There are companies willing to do it at a very much lower cost. So we can't pay at cost higher than something that we can get at a lower cost."

It was reported that MMC-Gamuda has briefed government officials on building the entire track at a lower pricing. MMC is controlled by Syed Mokhtar Al Bukhary.

Asked about cheaper proposals by companies related to Syed Mokhtar, the Prime Minister said: "Well, if he can do it why not?" -- BERNAMA

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