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IRCON-RAILWAY

IRCON TAKES UP ISSUE OF RAILWAY CONTRACT WITH MALAYSIAN GOVERNMENT

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NEW DELHI, Nov 3 (Bernama) -- The Indian Railways, who have been denied the award of US\$3.4 billion (US\$1=RM3.80) railway contract in Malaysia, despite the letter of intent (LoI) issued to IRCON, has taken up the issue with both the Malaysian Government and the Indian Prime Minister.

New Delhi is in dialogue with the new Malaysian Prime Minister, Datuk Seri Abdullah Ahmad Badawi, who took over from Tun Dr Mahathir Mohammad on Friday, railway board and IRCON chairman, R.K. Singh was reported to have told the business daily, the Financial Express.

Indian Ambassador to Malaysia, Veena Sikri is in touch with the Malaysian government on the issue and had already had dialogues with Abdullar prior to his taking over as the Prime Minister.

A detailed meeting between Sikri and Singh took place in New Delhi on Oct 30 to discuss the issue.

On the Malaysian government's claim that they would prefer a lower bid being offered by the local company over the Indian and Chinese bid, Singh said it would not be proper to comment on the Malaysian bid.

"We have given our best bid depending on their statement of needs and requirements," he added.

Singh said several rounds of discussions have taken place with the Malaysian government and changes had been made more than once.

He said the contract could be awarded to another company only after the cancellation of LoI.

The contract has reportedly been awarded to local consortium of Gamuda Bhd and Malaysian Mining Corporation.

India was to import palm oil equivalent of the value of the contract, officials said.

A register of statement of palm oil sales to India was opened in January since the payment for the contract was to come in the form of palm oil, an official was reported to have said.

Palm oil against the contract was to come over a period of five years. Palm oil constitutes about 75 percent of India's total edible oil imports of US\$1.8 billion. -- BERNAMA

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