

30 OCT 2003

MMC-GAMUDA

MMC-GAMUDA TO UNDERTAKE DOUBLE-TRACKING PROJECT ON ITS OWN

KUALA LUMPUR, Oct 30 (Bernama) -- The MMC-Gamuda joint venture partners will undertake the civil works of the double tracking of the railway track from Ipoh to Padang Besar and from Seremban to Johor Bahru themselves or identify other companies as sub-contractors.

But whether the joint partners would undertake the job themselves or identify other companies as sub-contractors is subject to the approval of the government, Malaysia Mining Corporation Bhd (MMC) said in a statement to the Kuala Lumpur Stock Exchange.

MMC disclosed that under the Letter of Award dated Oct 21, 2003, MMC-Gamuda JV is required to offer the first right of refusal to Ircon International Ltd and DRB-Hicom/Emrail as the subcontractor for the implementation of civil works for the northern section and to China Railway Engineering Corp (CREC) and DRB-HICOM Hikmat Asia for the southern section of the track.

The MMC-Gamuda JV has already offered the rights of first refusal to both Ircon and CREC and DRB-Hicom Hikmat Asia for the respective sections for acceptance by 12 noon today, MMC said.

However, none of the parties have accepted the offer, it added.

In the event that MMC-Gamuda fails to reach an agreement with any or all of the parties having the first right of refusal, the joint venture could identify other companies as sub-contractors subject to the approval of the government as provided for under the Letter of Award.

Meanwhile, Prime Minister Datuk Seri Dr Mahathir Mohamad today said the government was still studying whether the double tracking railway project from Ipoh to Padang Besar and from Seremban to Johor Bahru should remain a government-to-government initiative.

"That is being studied at the moment," he told a press conference after tabling the Mid-Term Review of the Eighth Malaysia Plan in the Dewan Rakyat here.

The government had given a Letter of Intent to Indian Railway Construction Co (and China Expressway Engineering Corporation or CREC) to undertake the project in 2001.

But last week the government gave a letter of award to MMC-Gamuda JV to undertake the project at RM14.45 billion as the government had considered the bid by Ircon and CREC too expensive.

Ircon and CREC had initially submitted bids for a total of RM42 billion but had reduced their price to about RM19 billion a few weeks ago. --

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