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MMC-RAILWAY

NO LETTER FROM GOVERNMENT YET, SAYS GAMUDA CHIEF EXECUTIVE

By: Mohd Arshi Daud

PUTRAJAYA, Oct 17 (Bernama) -- The Malaysia Mining Corp Bhd (MMC)-Gamuda Bhd group had not received a go ahead from the government to carry out the 636 km North-South double-tracking rail project.

"We haven't got anything yet formally. I can't give any comment since we haven't got anything in writing," said MMC group chief executive, Datuk Ismail Shahudin here today.

On Wednesday, Prime Minister Datuk Seri Dr Mahathir Mohamad said that the two companies were in line to get the contract but there were many details that have yet to be decided.

Dr Mahathir was responding to market talk that the MMC-Gamuda group had been awarded the contract with a bid of RM14.5 billion, lower than the government's budget of RM17 billion and the best bids by Indian Railway China Construction Co (Ircon) and China Railway Engineering Corp.

Ircon and China Railway had in the middle of last year obtained letters of intent from the government to undertake the double-tacking project until MMC and Gamuda made their counter bid proposal.

The Prime Minister had in August said that the quotes by the foreign contractors were too high and told them to revise it downwards.

Speaking to newsmen after signing an agreement to form the Malaysia-Lebanon Business Council here, Ismail, who is president of the Malaysian Business Forum said both MMC and Gamuda were not in the know about what the government had decided.

"We only hear what the press is saying and what the Prime Minister has commented. Of course, we have made the bid so we don't know the outcome yet," he said.

The signing, held on the sidelines of the 10th Organisation of Islamic Conference (OIC) summit was witnessed by Dr Mahathir and Prime Minister of Lebanon Rafic Hariri.

"We have still a couple of things which need to be sorted out. I suppose that is what the Prime Minister is saying," said Ismail.

Asked whether he expects a positive outcome from the government, he said MMC and Gamuda had always wanted to put in a competitive bid and that was axactly what they had done.

Declining to confirm reports that the MMC-Gamuda group had put in its bid at RM14.5 billion, he said, "That is a price sensitive issue."

Ircon was originally appointed as the main contractor for the northern grid (Padang Besar-Ipoh) while China Railway for the southern grid (Seremban-Johor Baru). -- BERNAMA

MAD KTC