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Rancak Bistari, Johor foundation clinch RM1.48b highway project

By HAMISAH HAMID

THE Cabinet has approved the award of the RM1.48 billion Senai-Desaru Expressway concession project to Rancak Bistari Sdn Bhd and the Johor State Government's Yayasan Pelajaran Johor.

Works Minister Datuk Seri S. Samy Vellu said the Government is expected to sign a 30-year concession agreement with the two companies within three weeks.

"Rancak Bistari holds 70 per cent of this concession while Yayasan Pelajaran Johor 30 per cent.

"The concession period is 30 years," he told a media conference after the dialogue with construction industry players at the Presidents and CEOs Roundtable in Kuala Lumpur yesterday.

Industry sources told Business Times that Ranhill Bhd, Malaysia's biggest engineering group, is likely to be appointed as the turnkey contractor for the project.

The sources said Ranhill president and chief executive Tan Sri Hamdan Mohamad and other parties hold 70 per cent stake in Rancak Bistari while the rest is held by Johor State Government.

As of August last year, Hamdan has a direct 14.84 per cent stake in Ranhill and a substantial interest in Ranhill Corp Sdn Bhd, which owns 37.62 per cent stake in Ranhill.

Samy Vellu said the 77km-highway will be linked to Pasir Gudang as well as to the North-South Expressway and the Second Link with Singapore.

He said there will be four toll plazas along the highway as well as a 1.1km-bridge.

"The bridge will be built high enough to enable ships to pass," he said.

Samy Vellu said the highway is expected to boost tourism.

Desaru is a resort town, while Senai houses Senai International Airport, the emerging regional air hub.

On another development, Samy Vellu said the Cabinet on Wednesday discussed the development budget for 2005 within the Eighth Malaysia Plan and the spill-over of the allocation into the Ninth Malaysia Plan.

He said the ministry has yet to know how much it will receive from the RM49.4 billion development budget for public sector projects.

"We have ongoing projects for this year which we are using the present allocation for them, and when we get the new allocation, we will use it for new projects earmarked for next year," he said when asked to comment on the announcement made by Prime Minister Datuk Seri Abdullah Ahmad Badawi recently that the Government will implement public sector development projects over the next 18 months with RM49.4 billion budget.

Asked on the RM14.5 billion double-tracking electrified rail project which was shelved by the Government, Samy Vellu said he has nothing to do with the project as he is merely relaying the interest of Indian Government to participate in the project to Malaysian Government.

He declined further comment, saying that Transport Minister Datuk Seri Chan Kong Choy is the best person to comment on that.

There has been talk recently that the Government might revive the double-tracking project to spur the growth of local construction sector.

The Government, under former Prime Minister Tun Dr Mahathir Mohamad, had appointed Malaysia Mining Corp Bhd and Gamuda Bhd to undertake the project although the Government had earlier given a letter of intent to Indian Railway Construction Industry Co and China Railway Engineering Corp

the mega project.

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