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China Railway submits new double-tracking proposals

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CHINA Railway Engineering Corp has submitted four new proposals for the double-tracking project in the southern part of Peninsular Malaysia to the Government.

China Railway senior manager Shi Jie said that each proposal contains different technical and engineering specifications, leading to four separate pricing for the 297km project.

"Due to requests made by the Malaysian Government, we have submitted the proposals which carry different specifications.

"Once selected, only then can we determine the final costing of the project," Shi told reporters on the sidelines of the Malaysia-China Partnership Summit 2003 in Selangor yesterday.

Shi said the proposals were submitted to Malaysia during Deputy Prime Minister Datuk Seri Abdullah Ahmad Badawi's five day visit to China, which ended on Thursday.

Shi said that Abdullah had a lengthy discussion with China's leaders on the project along with other bilateral issues. However, he declined to reveal the different costing given in the project proposals.

"It's very much a government-to-government project, and I have no authority to reveal details of the price.

Shi's announcement put to rest several news reports in the past few months that China Railway along with northern contractor Indian Railway Construction Co (Ircon) had either pulled out or been booted out by the Government in favour of local contractors who quoted a much lower price tag.

In July, the Asian Wall Street Journal said that a group led by Tan Sri Syed Mokhtar Al-Bukhary's Malaysia Mining Corp (MMC) Bhd and Gamuda Bhd had put in a bid to undertake the double-tracking job.

Syed Mokhtar was willing to undertake the project at 40 per cent less, or at RM14 billion, than a joint bid submitted by Ircon and China Railway which was said to have spiralled to RM42 billion from the initial RM12 billion.

Prime Minister Datuk Seri Dr Mahathir Mohamad had said last month that the double-tracking rail project was overpriced, prompting the foreign contractors to reduce it to RM24 billion.

Dr Mahathir said the project was still open to the parties initially promised (Ircon and China Railway) if they would accept a more reasonable value for their contract.

The deal with both companies also involve a counter-trade agreement between Malaysia and India and China to swap palm oil in exchange for double-tracking works estimated at about eight million tonnes over a five

year period.

Apart from China Railway, which has a 70 per cent stake in the project, MMC Engineering Group Bhd and DRB-HICOM Bhd hold an equal share of 15 per cent each. Other local partners include Emrail Sdn Bhd and Kien Huat Group

Originally, the project was to have been completed by December next year, but due to technical reasons, including unfavourable weather conditions and problems relocating squatters, the project was delayed.

Malaysia is implementing double-tracking and electrifying its railway for the northern grid of Peninsular Malaysia spanning 338.8km and linking Ipoh to Padang Besar, which is estimated to be worth RM6 billion.

Double-tracking refers to the construction of a new track parallel to the existing one to enable uninterrupted two-way train traffic.

China Railway has been entrusted to work on the 297km southern grid linking Seremban and Johor Baru, also valued at RM6 billion.

These are part of a huge project that will eventually see a high-speed Trans-Asian rail link connecting several Asean (Association of South-East Asian Nations) cities from Singapore to Kunming in China. Asean members are also working on the construction of the 240km stretch from Cambodia to Vietnam.

Upon completion, travel time from Kuala Lumpur to Ipoh is expected to be shortened to 2 1/2 hours from four hours 55 minutes.