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Dr M: Double tracking railway project still open to these firms

KUALA LUMPUR, Sat. - Prime Minister Datuk Seri Dr Mahathir Mohamad today said the double tracking railway project is still open to the parties initially promised it if they will accept a more reasonable value for their contract.

"Their initial quotation was RM42 billion. When we said it was too high, they reduced it to RM24 billion," said Dr Mahathir at the Press conference after the launch of Modenas' new models of scooters and motorcycle today.

He said the willingness to reduce the contract value by 43 per cent was an indication they had overpriced it.

The project was promised to the State-owned Indian Railway Construction Co (Ircon) and a consortium led by the China Railway Engineering Corp.

It was part of the government-to-government initiative which includes a barter trade deal to increase exports of palm oil to India and China.

Ircon was to undertake the double tracking and electrification works for the northern grid which spans 338.8km from Ipoh to Padang Besar while China Railway would see to the southern grid from Seremban to Johor, a 297km stretch.

The local partners for the Chinese and Indian companies were DRB-Hicom, Emrail Sdn Bhd and Malaysian Mining Corporation (MMC) and Kien Huat Group.

The Prime Minister also said that the Government had conducted a study on the cost and found that it could be reduced considerably. There were companies which were willing to undertake the project at a very much lower cost.

The project had also attracted bids from other companies including the MMC-Gamuda Berhad consortium led by Tan Sri Syed Mokhtar Al-Bukhary. According to reports, Syed Mokhtar is willing to complete the project for a mere RM14 billion.

Asked about Syed Mokhtar's bid, Dr Mahathir said: "If he can do it, why not."