

18/08/2003

Ministry to study Algeria proposal to build highway

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THE Works Ministry will undertake a study on an offer from the Government of Algeria to build a US\$8 billion (US\$1 = RM3.80) East-West highway in that country.

Minister Datuk Seri S. Samy Vellu said his ministry would do an indepth research on the proposal before meeting the Algerian Government again within the next two months.

Samy Vellu, who returned from a tour of several African countries with Prime Minister Datuk Seri Dr Mahathir Mohamad last Saturday, said a memorandum of understanding was signed between the two countries to further their interest in the proposed project.

"We have to undertake the study because this is a large project and viability is an important factor," he told reporters after attending a fund-raising programme at Sekolah Semangat Maju in Ipoh yesterday.

Samy Vellu said he would be meeting several local contractors before preparing the study and presenting it to the Algerian Government.

The East-West highway, stretching some 2,080km, is part of the Algerian Government's infrastructure expansion programme to develop a sophisticated road system to enhance its economic development.

Samy Vellu said Algeria presented numerous trade potentials which have not been explored to the fullest.

Algeria, the second largest country in Africa after Sudan, with a 32-million population, is also Malaysia's second largest trading partner in northern Africa.

However, bilateral trade between the two countries was still small at US\$126 million (US\$1 = RM3.80).

Malaysia's major exports to Algeria are palm oil, chemical products, plywood and textile yarn, while its imports are fertilisers and electrical distributing equipment.

Samy Vellu said construction of the proposed highway project, if successfully undertaken by Malaysian contractors, would open the space for more such projects in the African continent.

Malaysian companies have undertaken construction projects in West and East Asia, the Indian sub-continent and Africa.