

## **'PM must explain generous highway contract award'**

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DAP has demanded the prime minister explain why the government has given Kumpulan Europlus Bhd (Europlus) a "good deal" on the RM7.07 billion Banting-Taiping highway project.

Party secretary-general Lim Guan Eng said Najib Abdul Razak needed to explain the generous terms given to Europlus, that includes a 60-year concession and RM2.24 billion in soft loans.

dap conference 080112 lim guan engThe company will also receive subsidies for 22 years and RM980 million grant for land acquisition cost for constructing the 316 km highway.

According to Lim (right), Europlus had announced that it had received an approval letter from the public private partnership unit of the Prime Minister's Department.

"DAP is curious why the federal government had still not make any announcement on such an important highway concession which violates the basic principles of public accountability and transparency.

"Before the government signs this agreement with Europlus, the prime minister must ensure that ... questions why Europlus was given such a good deal are fully answered," said Lim in a statement today.

Among the questions Lim demanded the PM answer were:

- \* If there was an open tender and reasons for rejecting other bids
- \* The choice of Europlus that he said had no proven track record in build-operate-transfer (BOT) of highway concession and that had a "troubled history of problematic housing development projects"
- \* The concession period that was the "longest in Malaysian history" after the Singapore-Malaysia water agreement
- \* The rationale for the soft loan of RM2.24 billion from 2013 at 4 percent interest and an offer of an interest subsidy of 3 percent from commercial loans for 22 years, costing the federal government an estimate RM4 billion
- \* Giving Europlus RM980 million for land acquisition cost, when it is supposed to be a privatised project
- \* The decision for the highway to end at Taiping and not through to Penang, that sees heavier traffic.

Scandal in the making?

Calling the project another potential "scandal in the making", Lim, who is also Penang chief minister, blasted the six decade concession for benefiting the company over the rakyat.

plus highway toll booth 161204"For the Prime Minister's Department to grant a 60 year concession period means that generations of Malaysian will be compelled to pay toll, from me to my great grand-children.

"This is unacceptable and giving such a long concession only benefits the few, allowing the toll operators to earn mega profits of pharaonic proportions at the expense of 28 million ordinary Malaysians," said Lim.

He pointed out that in a similar "scandal", the 50 year concession period for the North-South Expressway (NSE) expiring in 2038 - and that had cost RM6 billion to build - had already allowed the toll operator to earn RM18.3 billion in profits as at the end of 2010.

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