

Government to delay projects amid rising costs

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Prime Minister Abdullah Ahmad Badawi today said infrastructure projects under its multi-billion-dollar five-year development plan may be delayed due to escalating costs. MCPX

abdullah ahmad badawi 2008 cabinet line up 180308 02Abdullah, who is also finance minister, said high on the casualty list is the construction of a vital second bridge linking Penang to peninsular Malaysia.

"Several matters have delayed its construction. Firstly in getting the land for building the bridge," he was quoted as saying by Bernama news agency.

"Secondly, there is a need to ensure that the given design is the most suitable and also the issue of (rising) cost," Abdullah said.

Abdullah also said that several other projects under the RM200 billion development plan from 2006 to 2010 would be reviewed.

Lim Guan Eng, chief minister of Pakatan Rakyat-led Penang, said he was "shocked" by the premier's announcement.

"Two weeks ago when I met the prime minister, he assured me that the second Penang bridge will continue," said Lim, who is also secretary-general of DAP.

The three-billion-ringgit Penang bridge is part of a national development plan to boost the country's economy in the northern region.

Bridge hit by delays

Construction of the planned 24-kilometre bridge linking the town of Batu Maung on the island and Batu Kawan on the mainland was expected to be completed by January 2011 but has been hit by delays.

The government and private investors are funding the span, which is to be built by United Engineers (Malaysia) Bhd (UEM), a major infrastructure player linked to the ruling Umno.

UEM's foreign partner is the China Harbour Engineering Company.

Other projects to be shelved due to high cost include the Kuala Lumpur-Singapore super-fast bullet train.

Abdullah last September warned a spike in global oil prices could affect the country's multi-billion-dollar development programmes.

But in the run-up to the March 2008 polls, Abdullah launched five ambitious developments corridors nationwide to spur growth and eradicate poverty.

Last week, an independent think tank said Malaysia's economy would decline in the

second-half of the year due to a downturn in the US economy with growth in 2008 expected to reach 5.4 percent.

The central bank last month said Malaysia's growth is expected to slow to 5.0-6.0 percent in 2008, down from 6.3 percent last year.

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