

**CM: Adopt open tender for second bridge**  
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The Pakatan-led Penang government wants the BN federal government to review the contract deal inked between Umno investment arm, United Engineers Malaysia Berhad's (UEM Group) and China Harbour Engineering Co Ltd (CHEC) to construct the second Penang bridge.  
MCPX

lim guan eng and penangIt wants the federal government to cancel the contract, if possible, and adopt an open tender policy instead to reduce its cost.

"An open tender policy would be much welcomed by the Penang government as it would enable the federal government to acquire contractors with competitive price and highest work quality," said Chief Minister Lim Guan Eng.

"This is important to reduce construction cost, which has gone up exorbitantly, and avoid passing the buck on to the consumers," he added.

The cost to construct the second bridge across the Penang channel between Batu Kawan on the mainland Seberang Perai and Batu Maung on Penang Island, has leapt by 60 per cent or RM1.6 billion, from original RM2.7 billion to RM4.3 billion in merely a year, and it is expected to go up in the wake of price hike in construction materials.

penang second link bridge 030408 02"The cost leap is frightening," Lim told newsmen after officiating Buildcon Penang, Roof and Waterproof 2008 Exhibition in Penang International Sports Arena, Pisa today.

In August 2006, the federal government unveiled a plan to build the Penang second bridge in the Ninth Malaysia Plan and Prime Minister Abdullah Ahmad Badawi performed the groundbreaking ceremony for the project in November 2006.

### **Largest loan from China**

Construction will be partly funded through a RM2.7 billion loan deal inked between Malaysia and China.

The loan facility is the largest given by China for a single project in a foreign country so far.

The terms of the loan agreement, which include an interest rate of 3% per annum over 20 years, is the most favourable offered to a foreign country.

After months of soil survey and test piling work, CHEC and UEM Group announced that the project was on track for completion in 2011. Physical construction works were due to begin in January 2008.

But in April this year, the government announced that the project will be delayed by nine months due to land acquisition and design issue and also the rising cost of building materials.

Lim then proposed a toll discount for any delay on the project and also expressed disappointment of the delay of the construction of the bridge which is so pivotal to the industrial growth of Penang and the northern corridor of the peninsula.

However, Second Finance Minister Nor Mohamed Yakcob assured Penangites that the bridge will be ready on scheduled in 2011.

penang second link bridge 030408 01Lim expressed fears that the extraordinary cost to construct the crucial second bridge would be endured by vehicle users, especially Penangites, saddling the already burdened consumers facing surging inflation in all sectors.

He is curious about the rationale behind the whopping increase in the cost and vehemently opposes any move to pass the cost burden to bridge users.

Thus, the Penang government calls on the federal government to review the contract deal and exhaust all options to adopt an open tender policy to acquire bridge builders from both domestic and international fronts.

Even if an international company were to secure the contract, it still has to tie up a joint-venture with a local construction company, and Lim did not rule out the possibility of the Penang government setting up a public enterprise to bid for it.

### **Petronas must chip in**

Once operational, the second bridge will be the fourth link between the islanders and the rest of the world after the ferry services, air link and the present 13.6km Penang Bridge, which was opened to traffic in 1985.

The 24km bridge, of which 17km will be over water, will be the longest in Malaysia and Southeast Asia.

second penang bridge model 230307In the wake of the astronomical hike in its cost, Lim pressed on his case again to have the Petronas oil money to build the bridge.

The national oil corporation needs to channel a little cut of 0.041 percent or RM3.5 billion from the country's annual oil revenue of RM85 billion for it.

"Instead of spending lavishly on superfluous commodities, Petronas should fund its construction," said the chief minister, who is aware that besides being a major economic booster, the second bridge would be politically sensitive to the infant Pakatan Rakyat government.

If built in time, it will surely skyrocket Lim's public ratings and even ensure the DAP-led governance of this island state beyond the next general election.

Otherwise, it could be politically just another bridge too far for Lim and company.