

DATE: 11/6/2010

52 high-impact projects

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MALAYSIA has identified 52 high-impact projects worth RM63 billion to be carried out by public-private partnerships under the 10th Malaysia Plan (10MP).

The projects, which include the building of highways and power plants, are expected to drive the economic transformation agenda.

"This new wave of public-private partnership (PPP) will ensure equitable sharing of risks and returns," Prime Minister Datuk Seri Najib Razak said in his speech during the tabling of the 10MP in Parliament yesterday.

The projects include seven highways at an estimated cost of RM19 billion. Among them are the West Coast Expressway, Guthrie-Damansara Expressway, Sungai Juru



Expressway and Paroi-Senawang-KLIA Expressway.

Companies seen benefiting from these highway projects include Gamuda Bhd, IJM Corp Bhd, WCT Bhd and Mudajaya Bhd.

Other projects include two coal-powered electricity plants that cost an estimated RM7 billion and development of the Malaysian Rubber Board's land in Sungai Buloh, Selangor, at a cost of about RM10 billion. The land is about 1,337ha.

Najib said the private sector will also get the chance to take part in

major projects led by government-linked companies, such as the redevelopment by 1 Malaysia Development Bhd of the Sungai Besi Airport area and a new international financial district in Kuala Lumpur.

Other projects include construction of a liquefied natural gas regasification plant by Petrolia Nasional Bhd in Malacca (about RM3 billion) and two aluminium smelters in the Sarawak Corridor of Renewable Energy (about RM18 billion).

Analysts said they had expected more big projects to be announced under the PPP, but felt that it was nevertheless a good start. The value of the projects is three times more than the RM20 billion Private Finance Initiative scheme under the 9MP, they noted.

(The full list of projects under the

10MP is expected to come out in August.)

The analysts said that the main concern now was funding and execution and, in some cases, tariff.

Many felt that it was important for the government to ensure that the projects roll out within the stipulated five-year time-frame and did not encounter delays once the deadlines were set.

"Many of the foreign investors I spoke to today were sceptical as to whether some of these projects would actually happen, seeing as some under the 9MP were not carried out.

"If they do happen, however, it would be great for the construction sector, and the government would benefit as well," said a construction analyst from a foreign research firm, who declined to be named.