

Dr M not sure of status of ECRL deal

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PUTRAJAYA: The status of the government's contract with China Communications Construction Company (CCCC) to build the East Coast Railway Link (ECRL) mega-project is unclear.

When asked whether the contract has been cancelled, Prime Minister Tun Dr Mahathir Mohamad said he was unaware of any such action.

"I don't know... I just came back from overseas. But one way to go about this problem is to terminate the contract. When we terminate the contract, we must pay compensation amounting to billions of ringgit. We will discuss (the matter)," he said after launching the mySalam B40 National Health Protection Scheme here yesterday.

On Tuesday, a news portal reported that the government had cancelled the ECRL contract with CCCC.

Quoting sources, the report said Putrajaya was seeking a new contractor to build the 688km rail project connecting the Klang Valley to the east coast of Peninsular Malaysia, but at half the original estimated cost of RM81 billion.

Last November, Council of Eminent Persons chairman Tun Daim Zainuddin said talks on the ECRL project were ongoing between China and Malaysia.

He said both parties needed a "little bit more time" to address the issue, and that the country was looking at many options to realise the project, which he described as a "sensitive" issue.

Previously, Finance Minister Lim Guan Eng was reported as saying that the controversial China-backed project had been given a reprieve by the government, as RM20 billion of the project cost had been paid, subject to a renegotiation of the price tag.

The government had initially announced plans to scrap the project because of its exorbitant cost, which various quarters claimed could be completed for under RM40 billion.

In previous reports, Dr Mahathir had described the ECRL project as a "strange contract" as Malaysia had to fund the project with a loan from China while also hiring contractors from China.