

## Daim: Are China-backed projects investments or loans?

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Putrajaya is touting its China-backed projects as proof of the Najib-administration's ability to attract foreign direct investments.

Former finance minister Daim Zainuddin, however, does not appear to be entirely convinced.

Asked about the East Coast Rail Link (ECRL), which will be funded through a loan from the Export-Import Bank of China to pay the main contractor from the same country, Daim questioned whether such an arrangement could be considered an investment.

"If you have to pay back the money, is that an investment?"

"If you were an investor, what would you say?" the veteran politician asked in front of reporters in Subang Jaya today.

Pressed on his views on whether such a project should then be seen as a form of investment in Malaysia, Daim said: "No. That's a loan."

He said this when asked whether there had been valid concerns raised over Chinese investments in Malaysia, including the ECRL, as well as the Forest City mega housing project, among others.

Despite his reservations on China's investments in Malaysia, Daim said, however, that it would "okay" if the projects brought in money.

The Finance Ministry had in a parliamentary reply last month said that the ECRL's cost would remain at RM55 billion, 85 percent of which would be [funded](#) via a government-guaranteed soft loan from the China Export-Import Bank (Exim Bank).

The rest of the cost, meanwhile, will be funded through Islamic bonds or sukuk from local financial institutions.

Citing sources, *The Edge* had reported in October that the project's cost was expected to increase to between RM60 billion and RM70 billion for double tracking the 688km ECRL line, as well as for the acquisition of land along the route from Port Klang in Selangor to Pengkalan Kubor in Kelantan.

Earlier, Daim said he believed that Malaysians should remain united in order to create an environment conducive for foreign investments, which would in turn spur economic growth.

"I read reports saying that many graduates are now having difficulties finding employment.

"So the government have to make sure that this urgent matter is addressed," he added.

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