

## **ECRL project to continue on suitable scale after negotiation - Dr Mahathir**

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KUALA LUMPUR, March 20 (Bernama) -- Prime Minister Tun Dr Mahathir Mohamad said the East Coast Rail Link (ECRL) will resume on a suitable scale after negotiations with China have been finalised.

He also indicated that the negotiations will take some time.

"At the moment, the government has appointed Tun Daim Zainuddin as the special envoy of the Prime Minister to head the ECRL negotiation with China for a win-win solution. The outcome of the negotiation will be announced when finalised in future.

"If the negotiation is fruitful, the government is confident the ECRL project will continue on an appropriate scale which will benefit the people and save Malaysia from being burdened by huge debts," he told Dewan Rakyat today.

He was replying to a question by Datuk Seri Dr Ismail Mohamed Said (BN-Kuala Krau) on the latest status of the ECRL project and whether the government would continue with the project.

The Prime Minister said the project was suspended on July 3 last year as the government had to evaluate and study the project again to ensure Malaysia received the best returns without jeopardizing national development.

Dr Mahathir said the project was carried out in haste without going through the normal procedures even though, it was said to be the catalyst for development in the East Coast including an additional 1.5 per cent Gross Domestic Product (GDP) growth to the states involved, apart from providing heavy transportation infrastructure for cargo to attract industrial investors.

He said the Pakatan Harapan (PH) government found the previous government did not call for an open tender and instead awarded the project to one company on a G-to-G arrangement.

“The government is now tied to both contract agreements on EPCC (Engineering Procurement Construction and Commissioning) and a loan from China which caused the country to face huge debts if it was implemented and will face financial implications if cancelled,” he said.

Asked on the projected compensation if the project was cancelled by Datuk Seri Ismail Sabri Yaacob (BN-Bera), Dr Mahathir cynically replied the question should have been raised by members of previous Barisan Nasional (BN) government before the project was implemented.

“I am astonished with the wisdom of the honourable member who is asking the question. The question is why was it not asked when the agreement was signed, on how much was the cost of the consultant, land and so on and I am confident if certain parties were questioned, the certain parties will drop the project but now it is too late,” he said.

Replying to a supplementary question on why Daim was appointed to head the negotiation process and not Finance Minister Lim Guan Eng, Dr Mahathir described Daim as qualified and capable to negotiate with China.

During a press conference at Parliament lobby later, Dr Mahathir said some parts of the ECRL project were unnecessary or could be deferred until they are required later.

The prime minister also spoke about the prohibitive costs of the project.

“If we continue, we will be borrowing as much as RM60 billion and we have to pay back with interest and that will take us 30 years. And in 30 years’ time, the amount added to the

interest will reach RM100 (billion) over, and some estimated it is about RM130 billion.

"That's why we cannot afford this project," Dr Mahathir said.

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