

'Abdullah driving force behind bridge'

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KUALA LUMPUR: The speed with which the Penang Second Bridge project is being carried out is impressive.

Minister in the Prime Minister's Department Datuk Seri Effendi Norwawi said normally, a project of that size would take years to get off the ground and would have to battle layers of bureaucratic processes.

"But because Pak Lah (Prime Minister Datuk Seri Abdullah Ahmad Badawi) is driving the project himself, the time taken between the decision to build the bridge and the actual implementation took only a few months."

He added he was confident that the project would succeed because it was undertaken by UEM, which will bring its best practices and professional expertise.

"The other important feature of this project is that it is undertaken under the private finance initiative, which is another innovation by Abdullah's administration.

"This means, the private sector will raise the funding without government guarantees and hence, bear no contingent liability to the government.

"More importantly, this initiative transfers the risk of the project to the private sector who know they can only recover their investment if they deliver to the standard and quality as stipulated by the government.

"Their profitability can only be achieved if the project is delivered successfully. It is strictly performance-based.

"Therefore, the government can be assured that the project will be well executed," Effendi said.

He added that in some developed countries, 70 per cent of government contracts awarded under the conventional method had suffered project delays and cost overruns, whereas under the private financial initiatives, such losses were around 20 per cent.

Effendi said the Penang Second Bridge was not just another bridge for Penang but was also going to be a strategic infrastructure project for economic growth with the implementation of the Northern Corridor Region covering Kedah, Perlis and northern Perak.