

Govt finalising rail project, Gamuda and MMC up

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KUALA LUMPUR: The government is close to completing negotiations with the MMC Corporation Bhd-Gamuda Bhd joint venture on the contract details of the Ipoh-Padang Besar electrified double-track railway project.

Transport Minister Datuk Seri Chan Kong Choy said the government needed a little more time to conclude the talks.

"I can't say more because it is still in the midst of finalising, so give us a little bit more time. It's

almost there but we are still looking at the details of the project," he told reporters here yesterday.

Yesterday, Gamuda's share price rose 16 sen or 3.76% to RM4.42, with a total of 7.38 million shares changing hands. MMC gained 25 sen or 3.07% to RM8.40, with 429,400 shares done.

In March, the government decided to revive the 330km Ipoh-Padang Besar railway project, which was shelved in late 2003 to curtail government spending on mega projects. ❖

The project is part of a RM14.4 billion railway project awarded to Gamuda and MMC in October

2003. The Rawang-Ipoh stretch has been completed.

In June, the 50:50 joint venture company of MMC and Gamuda received the Economic Planning Unit's approval to build the railway and was to begin talks to finalise the terms of the agreement. The project was reportedly to cost RM9 billion.

In September, Gamuda said in a note accompanying its financial results that it expected the construction works of the railway project to begin in the first half of its financial year 2008, which meant between August 2007 and January 2008.