

## Gamuda-MMC JV rail project on PFI basis

KUALA LUMPUR: Gamuda Bhd and MMC Corporation Bhd have been informed by the government that the multi-billion ringgit electrified double tracking railway project from Ipoh to Padang Besar will be implemented on a private financing initiative (PFI) basis.

In separate statements to Bursa Malaysia, Gamuda and MMC said their 50:50 joint venture (JV) was informed of the matter via a letter from the Economic Planning Unit of the Prime Minister's Department that was received yesterday.

"The government and the JV will commence negotiations on the formal agreement of the project as soon as possible," they said, adding that they would make the appropriate announcement for immediate public release to Bursa Malaysia should there be further progress.

PFI relieves the government of the burden of funding infrastructure projects.

Contractors intending to partake in PFI projects have to raise their own funding for the projects and only get paid when the job is done to the government's specifications and performance. The government leases the facilities from the contractors after the latter have built the structures up to expectations.