

Double-track project moving as planned

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THE Ipoh-Padang Besar electrified double-track railway project is expected to be completed as planned in December 2013 without any cost overrun, its main contractor said.

The project, which costs RM12.48 billion and stretches 329km, is a government initiative to improve inter-city rail transport.

It involves replacing an existing single-track line linking Ipoh in Perak to Padang Besar in Perlis. The new tracks are designed to cater for electric train sets with speeds of up to 160 km/hour.

"Progress is good, with 43 per cent of the overall physical work done. We are on schedule to completing it in December 2013 without any cost overrun and with no

delays," said Azmi Mat Nor, a director of MMC-Gamuda Joint Venture Sdn Bhd, the main contractor.

One of the reasons he is confident there will be no cost-overrun is that the company has already forward-bought three-quarters of the construction materials needed. This leaves it less vulnerable to future price swings.

"We've already locked in three-quarters of the materials. The rest, we can mitigate it," he told reporters at a briefing on the project in Kuala Lumpur yesterday.

Cost overrun, if any, will be borne by the company as the contract was awarded by the government on a fixed-sum basis, Azmi added.

The company, a partnership between MMC Corp Bhd and Gamuda Bhd, has so far received over RM5 billion from the government. It started work on the project

in early 2008.

Azmi said the project's impact is far-reaching, with the multiplier effect from work packages and jobs awarded expected to generate an estimated RM25 billion worth of downstream economic activities.

It is expected to be one of the biggest money-spinners for the four states which the railway track cuts across, namely Perak, Penang, Kedah and Perlis.

It is seen creating 90,000 job opportunities, with MMC-Gamuda alone providing 50,000 of these, he said.

According to Azmi, 540 work packages, or 90 per cent of the total, have already been awarded to 310 subcontractors and suppliers for various stages of construction.



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