

Electrification job reduction will not hurt consortium

There is however expected to be a reduction in terms of the amount of the Gamuda-MMC venture's contract

THE reduction in the electrification job for the Butterworth to Padang Besar portion of the double-tracking railway project will not affect the bottomline of the Gamuda Bhd-MMC Corp Bhd consortium.

MMC CEO Hasni Harun said MMC has not received a request from the government but there was a possibility it may want to reduce the scope of work.

"We still have to discuss with the government because there are other impli-



"There would be no reduction in the scope of work for the Ipoh-Butterworth portion" says Hasni

cations to the reduction in the scope of work," he said.

He was speaking to reporters after signing a lease agreement between MMC's unit, Seaport World Wide Sdn Bhd (SWW) and Nether-

lands-based Vitol Terminal BV's entity, ATT Tanjung Bin Sdn Bhd (ATT) in Kuala Lumpur on Friday.

Under the terms of the agreement, SWW would lease approximately 48 hectares at the rate of RM20 per sq ft (for 30 years) to ATT.

Hasni, however, said there would be no reduction in the scope of work for the Ipoh-Butterworth portion.

"The job scope for Butterworth to Padang Besar was reduced because the track was mainly for cargo. We are still in discussions and have not finalised anything," he said.

He said that the reduction in the scope of work would reduce the contract value a little in terms of the amount.

"However, it will not be so much that it will affect the bottomline of the consorti-

um," he said.

Market talks had it that the reduction in work scope may reduce the contract value from RM12.49 billion to RM10.7 billion.

The project is being carried out by the consortium on a 50:50 basis.

On the government's move to scrap the windfall profit levy on independent power producers, Hasni said the move was good for Malakoff bonds.

He said the company would expand Malakoff's business domestically and abroad.

"We are looking at a few opportunities. We want to expand our power business especially on the generation in Saudi Arabia as well in United Arab Emirates," he said. — *Bernama*