

# Najib: Project a boost for northern states

By **SIM LEOI LEOI**  
leoi@thestar.com.my

**PUTRAJAYA:** The implementation of the 329km Ipoh-Padang Besar double-tracking project is expected to have spillover effects on the economies of the northern states.

Deputy Prime Minister Datuk Seri Najib Tun Razak said this could even translate into a Gross Domestic Product (GDP) growth of as high as 12% for certain states.

"The GDP growth for Perak is estimated to increase from 5.7%, the targeted figure under the Ninth Malaysia Plan without taking into account the double-tracking project, to 8.1%.

"Penang will grow from 6.1% to 6.8% while Kedah's GDP will climb from 5.9% to 8.7%. Perlis will boom from 5.3% to 12%.

"On the whole, Malaysia's overall GDP growth is expected to rise from 6% to 6.4% thanks to the project," he said at a ceremony to hand over letters of award worth some RM400mil to 25 bumiputra contractors and 10 engineering consultants at his office here yesterday.

The project continues from the double-tracking rail laid down from Rawang to Ipoh, which was completed in Dec 31 last year, and will be carried out by the consortium MMC-Gamuda.

Najib said a study by both the Halcrow consultant in Britain and the Asian Development Bank showed that the project could also see an improvement in the cost of doing business in Malaysia, through more efficient cargo shipment and higher economic rate of returns.

Additionally, he said, rail was more efficient in terms of fuel usage, transport time and reduction of environmental pollution.

"Cargo shipment by rail is six times more efficient while for passenger transport, it is 20 times more efficient. The project will give the Government a chance to completely restructure the country's whole

transport system into a more efficient and effective network, and ensure our cost of doing business remains competitive.

"This project will raise our country's socio-economic status by an economic rate of return of 14.7% in comparison with the normal figure of between 10% and 12% for transport projects," he said.

Besides being the critical link to turn the Northern Corridor Economic Region (NCER) into a logistic hub, Najib said the project would also offer some 150,000 jobs in various sectors.

"Almost RM3.7bil in contracts will be offered to capable bumiputra contractors and suppliers. The consortium has identified 335 work packages to be given out from this month. It has also identified 180 contractors from Classes A, B, C and D to take part in the limited tender for this project," he said.

Najib also reminded contractors to finish their work on time saying that "delay and failure are not an option."

"We don't want the failure of some contractors to be the cause of the delay in the project, which is to be finished in five years," he said.

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