

Malaysia, China seal RM55bil ECRL

BEIJING: Malaysia has sealed the deal to build the East Coast Rail Link (ECRL) with China Communication Construction Company Ltd (CCCC), with financing via soft loans from Export-Import (Exim) Bank of China.

The Engineering, Procurement, Construction and Commissioning agreement was signed between Malaysia Rail Link Sdn Bhd, CCCC and China Communications Construction Company (M) Sdn Bhd today.

The signing ceremony was witnessed by Prime Minister Datuk Seri Najib Razak and his counterpart Li Keqiang at the Great Hall of the People, following a bilateral meeting between the delegations of both countries.

"We have discussed the broad principles (of the financing for the ECRL) but the details will come later. The Chinese have agreed to fund it through their Exim Bank, and this is very good source of soft loans to Malaysia," Najib said at a press conference with Malaysian media later.

The project, estimated to cost RM55 billion, is one of the high-impact projects under the 11th Malaysia Plan. When completed, the 620km ECRL will make products from the East Coast more competitive due to cheaper transport costs, and raise the income of industries and businesses located along the rail link route.

The project will have three phases - from Port Klang to the Integrated Transport Terminal (ITT) in Gombak; from ITT Gombak to Dungun; and from Dungun to Tumpat.

The government hopes to finalise the ECRL by end of this year so that construction on the project can start in early 2017.
