

# Labuan-Menumbok link will spur development

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## 2010 feasibility study did not address financial and economic aspects of project

By PAUL MU

**KOTA KINABALU:** The proposed construction of Labuan-Menumbok Bridge has been identified by the government as a key enabler to spur the future economic development of Labuan and its surrounding regions.

Minister in the Prime Minister's Department Datuk Seri Panglima Abdul Rahman Dahlan said this will leverage on Labuan's strategic position as a global and regional centre for international business and finance.

"And this is in line with the government's aspiration to develop Labuan into a smart and sustainable island city with a well-diversified economy by 2030," said Abdul Rahman after launching the 'International Conference on Social Transformation, Community and Sustainable Development 2017: Embracing Sustainable Development Goals' at a hotel

here yesterday.

The government has approved the proposed bridge project and set aside an allocation of RM14.31 million in Budget 2018 to carry out a Techno - Economic Feasibility Study, he said.

The study is critical to determine the technical feasibility and address the financial and economic appraisal of the project, he said.

"The study will involve comprehensive data collection and engineering studies to develop the technical concept for the project.

"The scope will include evaluation of the risks involved, action required for mitigation measures and to provide immediate recommendations for the implementation of the project on a Private Finance Initiative (PFI) procurement model," said Abdul Rahman.

According to him, the study will include preliminary engineering design, economic and financial anal-



Abdul Rahman (centre), Dr Ismail (2nd left), guests and participants striking the soaring upwards pose after launching the conference.

ysis, road safety audit and third party field works such as soil investigation, survey, coastal studies, traffic studies and environmental studies.

"The main objective of the techno economic feasibility study is to prepare an up-

dated estimated project cost using preliminary engineering design plans and to evaluate potential procurement models utilising the PFI scheme.

"These findings will be used to establish benchmark

for the next stage of project implementation namely to prepare a Request for Proposal and call for an open tender to identify suitable investors from the private sector," said Abdul Rahman.

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In 2010, he said a feasibility study was carried out by Universiti Malaysia Sabah, Universiti Sains Malaysia and Universiti Malaysia Sarawak which highlighted the need for the Labuan – Menumbok Bridge link.

However, the feasibility study did not address the financial and economic appraisal of the project, pointed out Abdul Rahman who is in-charge of Putrajaya's Economy Planning Unit.

The feasibility study was also very preliminary and insufficient to render itself for the development of possible PFI procurement models, he said.

Therefore the techno economic feasibility study is needed in order to address these matters for the next stage of project implementation, he said.

Also present were UMS dean of faculty of humanities, arts and heritage Dr Ismail Ibrahim and organising chairman Prof Dr Rosazman Hussin.