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Bernama - Conventional Method Cuts Pan Borneo Sarawak Highway
Costs By RM3.1b

[Tuesday, Feb 11 2020](#)

KUALA LUMPUR, 11 FEB --The overall cost of the Pan Borneo Sarawak Highway (LBPS) project has been reduced by as much as RM3.1 billion to RM18.8 billion with the conventional method compared to RM21.9 billion under the Project Delivery Partner (PDP) method, says Lim Guan Eng.

In a statement, the Finance Minister said the PDP method incurred a construction cost of RM16.5 billion compared to RM16.1 billion with the conventional method.

"Some parties have questioned how the cost savings amounted to RM3.1 billion when the original cost was not RM21.9 billion but RM16.5 billion.

"This is because they intended to confuse by stating that the construction cost of RM16.5 billion was the overall cost of the LBPS project without taking into consideration other costs," he said.

Lim said the estimation of the overall LBPS project cost with the conventional method of RM18.8 billion was tabled to the Cabinet last year.

"Under the PDP model, the overall cost to implement the LBPS project did not only involve construction costs, but it also involved payments to PDP companies including reimburseable payments and PDP payment fees (5.5 per cent of the construction cost)," he said.

He stressed that the construction cost of the LBPS project approved by the previous government amounting to RM16.5 billion is not the overall cost of the project that would have to be borne by the government.

"Other costs that were not stated included PDP reimbursable costs, PDP fees, contingency costs, land acquisition costs as well as independent



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consulting engineer costs that increased the overall original cost to RM21.9 billion," he said.

- Bernama

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