

INFRASTRUCTURE

By JACK WONG

KUCHING: The Sarawak government is to finance the construction of the Pan Borneo Highway phase two project linking Miri, Limbang and Lawas in Sarawak's northern tip that will connect up to Sabah.

On the drawing board is a new second road system called Sarawak link road to connect the three northern districts (Miri, Lawas and Limbang).

The proposed link road will be integrated with the Pan Borneo Highway phase two, now renamed Northern Coastal Highway, which spans a distance of 86km.

Construction work for the Northern Coastal Highway project will start next year for completion in 48 months, according to Sarawak Deputy Chief Minister Datuk Amar Awang Tengah Ali Hasan.

The project will be undertaken by the Regional Corridor Development Authority (Recoda) via Northern Region Development Agency (NRDA) which Awang Tengah chairs.

The details of the project were ironed out during the Northern Coastal Highway value assessment lab participated by some 200 representative from consultancy firms, government agencies, and other stakeholders late last month.

The development cost of the new highway project, which was cancelled by the previous federal government, has yet to be determined.

Phase one of Sarawak Pan Borneo Highway project, which stretches some 1,060km from Sematan in southern Sarawak to Miri in the north is divided into 11 work packages.

One of the packages - Telok Melano-Sematan - was completed and open to traffic early last year while the other packages are in

Sarawak to finance Northern Coastal Highway

Construction of proposed link road will begin next year

various stages of implementation. The project's original development cost was RM16.48mil and targeted completion date is mid-2021.

Lebuhraya Borneo Utara Sdn Bhd was the project delivery partner until February 2020 when its agreement was terminated prematurely by the federal government.

The project, which has since been taken over by the Public Works Department of the Works Ministry, is about 52% completed overall.

Awang Tengah said the Northern Coastal Highway is vital to provide connectivity to Lawas and Limbang (bordering oil-rich Brunei), which hold great potential in the development of oil and gas sector.

Under a memorandum of understanding (MoU) signed with the Sarawak authorities last year, China-based Beijing Beca Sci-Tech Co Ltd plans to invest US\$5bil in an integrated petrochemical complex in Lawas.

The investor has completed the feasibility study and will proceed with the hydrology study on the billion-ringggit project, according to Chief Minister Datuk Patinggi Abang Johari Tun Openg last week.

Johari sees bright prospects for the development of the oil and gas industry in Lawas and Limbang due to their locations within the

hydrocarbon reserves belt in the region.

State-owned Petroleum Sarawak Bhd (Petros) is reported to be looking to conduct oil and gas exploration activities in northern Sarawak to tap into the potential of unexplored oil and gas reserves there.

On the proposed Sarawak Link Road, Awang Tengah, who is also state International Trade and Industry, Industrial Terminal and Entrepreneur Development Minister, said it will be shorter in distance as compared with the proposed Sarawak-Sabah Link Road (SSLR) which is funded by the federal government.

He has not revealed the length of the proposed Sarawak Link Road and its development cost to be financed by the Sarawak government, which is funding two other mega infrastructure projects - Sarawak Coastal Highway and Sarawak Second Trunk Road system, which are estimated to cost a combined RM11bil.

The Sarawak Coastal Highway project, which involves the construction of seven bridges across major river crossings, is in various stages of implementation.

Construction works for the 225km Sarawak Second Trunk Road project is expected to kick off the ground in the current quarter.

The second trunk road will connect the

coastal road system at major bridge crossings and it will significantly reduce the traveling time between Kuching and Sibuan upon commissioning.

The 415km SSLR project, which is expected to take six and 10 years to complete, is expected to commence works soon.

According to Works Minister Datuk Seri Fadillah Yusof, the letter of intent had been issued to the contractor on July 7, 2020.

Once the contractor fulfilled the terms and conditions set in the tender documents, the letter of acceptance on the project will be issued.

The SSLR project will be carried out in phases, with phase one from Lawas to Kampung Pa' Berunit and phase two from Kampung Pa' Berunit to Long Lama.

In Lawas last week, Johari said Sarawak could afford to fund mega infrastructure projects with the revenue from the state sales tax (SST) imposed on petroleum products.

Sarawak recently settled the 2019 SST arrears of about RM3.1bil with Petroleum Nasional Bhd. Other oil majors are also paying the SST.

Based on SST collection of RM3bil a year, the Chief Minister said Sarawak could get RM15bil over the next five years to finance its development projects.