

RM8b sukuk for MRT

Danainfra has option to increase financing to cover project cost, estimated to surpass RM30b

KUALA LUMPUR

RM8b sukuk signed for MRT

Danainfra has option of enlarging current financing to cover entire project cost

THE government is issuing a RM8 billion guaranteed sukuk as the first financing tranche for the Mass Rapid Transit (MRT) project's Sungai Buloh-Kajang line (SBK Blue Line), estimated to be worth more than RM30 billion, via Danainfra Nasional Bhd, a Ministry of Finance Incorporated unit.

Danainfra's principal officer Fazlur Rahman Ebrahim said the target date for the maiden issuance will be July 20 with book building expected to be held next week.

"The first issuance will likely be in the form of Islamic Medium Term Notes with a size of up to RM2.4

billion with targeted tenors of 10, 12, and 15 years.

"Of the RM2.4 billion, RM1 billion is for bridging loans while the remaining RM1.4 billion will be for the project.

"We are looking to issue every quarter, and the RM8 billion is expected to be fully exhausted by June 30, 2013," he said after the signing of the Islamic Commercial Papers/Islamic Medium Term Notes programme agreement, witnessed by Second Finance Minister Datuk Seri Ahmad Husni Hanadzlah.

Fazlur said Danainfra has provided total financing of up to RM1 billion for the

MRT project, and support from potential investors has been overwhelming, clearly showing support for the mega infrastructure project.

To date, 33 work packages worth RM15.5 billion of the 85 packages have been awarded for the SBK Blue Line, which will run from Sungai Buloh cutting through the Kuala Lumpur City Centre to Kajang covering a distance of 51km with 31 stations.

The already awarded 33 packages include big work packages such as the viaducts, stations and the underground package.

"The actual cost of the

MRT Sungai Buloh-Kajang Line can only be determined once all the tender packages have been awarded, which is expected by end of this year," he said.

As the first tranche will be only sufficient to cover the project expenses until the middle of next year, Fazlur said Danainfra has the option of enlarging the current financing programme to bear the cost of the whole SBK Blue Line project.

"There might be no separate signings. We can enlarge the capacity with the current structure and partners, unless the government thinks otherwise." — Bernama