

**GOVERNMENT OF INDIA
ROAD TRANSPORT AND HIGHWAYS
LOK SABHA**

UNSTARRED QUESTION NO:7139
ANSWERED ON:21.05.2012
PRICE DISCOVERY MECHANISM FOR ROAD BUILDING PROJECTS
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Will the Minister of ROAD TRANSPORT AND HIGHWAYS be pleased to state:

- (a) whether India and Malaysia have decided to work on a price discovery mechanism while undertaking road building projects;
- (b) if so, the details thereof? and
- (c) the manner in which it is likely to be beneficial to the country?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF ROAD TRANSPORT AND HIGHWAYS (SHRI JITIN PRASADA)

(a) to (c) A Memorandum of Understanding (MOU) was signed on 21.12.2010 between India and Malaysia for technical assistance services and implementation of highway projects. The MOU envisages provision of technical services to be rendered by Malaysia in the field of institutional strengthening and improvement of design procedures & tolling systems.

The implementation of mutually agreed National Highway Build operate and transfer(BOT) projects, which may be awarded to the Malaysian companies, is subject to mutually agreed price discovery mechanism and also subject to the appraisal by the Public Private Partnership Project Appraisal Committee and Cabinet Committee on Infrastructure. It is also envisaged in the MOU that funds for the projects would be procured by the Malaysian developer from the countries other than India subject to the approval of the regulatory authorities of both countries. India would be benefited from the Malaysian experience of planning, designing, financing and operation of highways & expressways and additional foreign investment.