

RM51 billion for under-used MRT?



PETALING JAYA: The Mass Rail Transit (MRT) system may end up costing more than RM51 billion, going by a report prepared by Oxford professor Bent Flyvbjerg.

It may also see only half of its desired ridership of 40,000 passengers per hour per direction (PPHPD).

In a press statement quoting from Flyvbjerg's report, DAP publicity chief Tony Pua said today that the MRT project was a "disaster waiting to happen".

According to Flyvbjerg, 58 rail-based mega-projects in 20 countries had an average cost overrun of 44.7%.

(The MRT's initial estimated budget was RM36 billion.)

Flyvbjerg's report says that promoters of massive transit projects tend to underestimate costs and overestimate benefits in order to secure much-needed funding.

Pua accused private companies such as Gamuda-MMC of spinning success stories only to have government agencies falling for them "hook, line and sinker".

He said these companies were "rushing to ensure that the project gets funded and started in the shortest possible time, without proper independent checks, audit and competition".

Flyvbjerg's report, entitled "Survival of the unfittest: Why the worst infrastructure gets built and what we can do about it", looks at 258 mega-projects, including 33 for bridges and tunnels, and 167 for roads.

It says 90% of mega-infrastructure projects are doomed to have cost overruns and that cost estimates do not improve over time.

"Cost overruns in the order of 50% in real terms are common for major infrastructure, and overruns above 100% are not uncommon," says the report.

It adds that these problems would eventually result in waste of resources, delays, destabilised project management and much bigger problems than anticipated.

It also says that according to a study involving 25 rail-based mega-projects in 14 countries, the passenger traffic was 51.4% lower

than originally forecast.

"This is equivalent to an average overestimate in rail passenger forecasts of no less than 105.6%."

It notes that 84% of rail passenger forecasts have been wrong by more than 20%, and that nine out of 10 rail projects have overestimated traffic.

Malaysia's Land Public Transport Commission (SPAD) has predicted that the MRT will serve up to 40,000 PPHPD.

However, the Association for the Improvement of Mass Transit (Transit) has rubbished this claim. It said that as the MRT would buy only 58 train sets, it would have a maximum capacity for only 24,000 PPHPD.

Transit chairman Muhammad Zulkarnain Hamzah told FMT recently that Bus Rapid Transit services had a potential of over 30,000 PPHPD at only a fraction of the MRT's cost.

In his statement, Pua warned that the MRT project might end up like the STAR-LRT, Putra-LRT and KL Monorail projects, which are now absorbed into the public-owned Prasarana.

He noted that Prasarana, forced into taking over these companies, was now in debt to the tune of RM9 billion.

Pua questioned the 'distinct lack' of public consultation over the country's largest mega-project to date.

"Despite the fact that the project was only put up for feedback last month, SPAD and Prasarana (the project owner) have already awarded the project to a Gamuda-MMC joint venture as the 'project delivery partner'," he said.

He called the MRT initiative a "rush job".

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