

## MRT price tag: Where to draw the line?



PETALING JAYA: Concerned over its RM50 billion price tag, DAP MP Tony Pua asked the government where it would draw the line for the Mass Rail Transit (MRT) mega-project.

"Will the government continue with the project even if the cost escalates to RM60 or RM70 billion?" he said in a press statement.

Pua was referring to Land Public Transport Commission (SPAD) chief executive officer Mohd Nur Ismail Kamal's comments.

"With land acquisition and rolling stock, it can come up to RM50 billion, but it is still too early to say," Nur was quoted as saying in a news report.

The SPAD CEO added that the government was trying to minimise cost, and that the target cost would be different after the MRT's tender was over.

Meanwhile, Pua, who had criticised the MRT project as a 'disaster waiting to happen', also quoted a report by Oxford Professor Bent Flyvbjerg, who said that rail-based mega-projects had a tendency for cost overruns.

The report said that overruns above 50% of a project's cost were common, while those above 100% were rare.

The problems, the report added, would result in a waste of resources, delays, destabilised project management and much bigger problems than originally expected.

"This raises the major concern that the government has not conducted a thorough cost-benefit analysis to determine the point where the costs may outweigh the benefits of the immediate implementation of the MRT project," Pua said.

The DAP leader also took the project delivery partner, Gamuda-MMC, to task.

"If it had been awarded the contract based on its own estimate that the cost will be RM36.6 billion, then surely it must be bound by its estimates, and any increase must be borne by the firm, and not the government," the PJ Utara MP said.

Pua added that it was important for both SPAD and Gamuda-MMC to come clean with the details of the MRT project.

The government expects the MRT, which would see full completion by 2020, to increase public transport use to more than 40% in the Klang Valley.

It also expects to see a 40,000 PPHPD (passengers per hour per direction), although critics have said that this number is impossible, given the small number (58) of purchased MRT coaches.

Less than 20% of the Klang Valley use public transport, a far cry from the 1980s and 90s, which saw a near 35% utilisation rate.