

Govt looking at LRT problems

Mahathir: Our policy not to burden the people

By IZATUN SHARIF **STAR** 29 MAY 2001

RAWANG: The Government is still considering whether to take over the light rail transit companies or find ways to make them commercially viable, Prime Minister Datuk Seri Dr Mahathir Mohamad said yesterday.

"We haven't decided whether we will buy them back or not. We are studying their problems. If they are unsuccessful in terms of financial returns they have an excuse because they are not allowed to charge full fares."

"It is government policy not to burden the people, but if they are allowed to charge full fares, they will be very successful," he told reporters after launching the first Malaysian-made monorail train at the Monorail Malaysia Technology factory here.

Citing one of the LRT concessionaires, Projek Usaha-sama Transit Aliran Ringan Automatik (Putra) Sdn Bhd, Dr Mahathir said Putra could turn a profit if it was allowed to charge full fares as its passenger load was over two million a month.

"The public feels that they should have service that is world class but they are not willing to pay world-class fares.

"For example, if one travels from end to end of the 59km Putra LRT line, he only has to pay less than RM3 but the train fare from Kuala Lumpur to the KL International Airport in Sepang which is less than double the distance of the Putra line is RM35."

The Prime Minister said the Government would seek public feedback on the LRT fares.

The Finance Ministry had in December announced that the

Government was taking over the assets of LRT operations in the city and terminating its concession agreements with Putra and Sistem Transit Aliran Ringan Sdn Bhd (STAR).

It proposed to raise RM6bil by issuing five-to-15-year bonds with an interest of 5.8% to 7.2%.

The money would be used to acquire assets of STAR, owned by a group of local consortia, and Putra, held by Renong Bhd.

Earlier, Dr Mahathir said the Government, which had initially planned to import monorail trains from Japan, decided to reverse its decision as it was convinced the local manufacturer could make them.

"At first, we were not confident that a Malaysian company is able to produce monorail trains. But we did not hesitate to change our stand as the company showed its confidence and persistence in going ahead with the project.

"But the Government will not invest a single sen in the business. The company will be responsible for any losses incurred."

He said he hoped the company would be able to produce monorail trains for export.

"The Government will give its support and encouragement to this company as it opens up a new area for Malaysian manufacturers.

"The company can also show to the world that Malaysian companies are capable of producing monorail trains and competing with those in other countries."

The company is expected to begin its first KL monorail project in July next year.