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MAHATHIR-LRT

GOVT RETHINKING ITS PLANS TO ACQUIRE PUTRA AND STAR LRT

RAWANG, May 28 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad said the government is rethinking its plans to acquire the assets of light rail transit (LRT) companies, Projek Usahasama Transit Aliran Ringan (PUTRA) and Sistem Transit Aliran Ringan (STAR) for RM5.5 billion.

"We are studying to see whether we should buy or not (the assets) or whether we should find some ways of making the train viable," he said today.

Last year, the government announced that it is buying the assets of both PUTRA and STAR by issuing bonds totalling RM5.5 billion via a Special Purpose Vehicle to assist the LRT operators.

Speaking at the launching of a local-made monorail train here, Dr Mahathir said the reason the LRT services were financially not viable was because the operators were not allowed to charge a full fare which would burden the public.

"If they are allowed to charge the full fare, they will be very successful because the ridership of PUTRA for example, is very high, almost three million passengers a month. So they can make money if they are allowed to charge the full fare," he said.

But the public still felt that they should have "a service which is world class but they are not quite willing to pay world class fare," he added.

For example, he said passengers travelling the 29-km long PUTRA line pay less than RM3, while those travelling to KL International Airport (KLIA) using Express rail Link (ERL), which is less than double the distance of PUTRA line, pay RM25.

Asked what the government would do to make the LRT service profitable, Dr Mahathir said: "We are waiting for suggestions from the public."

Earlier, in his speech, the Prime Minister said Malaysians should have faith in local companies to manufacture products which are presently imported from overseas.

"We need to have faith in them (Malaysian companies) and with this faith, they can try and explore until they succeed," he added.

Dr Mahathir also said that efforts to manufacture products locally would contribute to the country's economy through savings from the outflow of funds.

Commenting on the monorail train produced by Monorail Malaysia Technology Sdn Bhd (MMT) for the KL Monorail project, Dr Mahathir said initially, it was planned that the train would be imported.

However, he said the government decided to change its plan as it was impressed with the prototype train produced by MMT for the KL Monorail project.

Meanwhile, MMT chairman David Chew said that the locally produced train is 50 percent cheaper than imported ones. -- BERNAMA

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