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## Low fare policy affecting LRT

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RAWANG, Mon. - The two light-rail transit (LRT) concessionaires in Kuala Lumpur are financially unsuccessful because of the Government's policy against burdening the people with high fares.

Sistem Transit Aliran Ringan (STAR) and Putra will become financially sound if they are allowed to impose full fares, Datuk Seri Dr Mahathir Mohamad said today.

"If you are talking of being unsuccessful financially, yes, they are at the moment," he told reporters after launching the first made-in-Malaysia train built by Monorail Malaysia Technology Sdn Bhd.

Dr Mahathir was asked to comment on the financial standing of the two companies.

The Government, he said, had yet to finalise whether it would be buying both companies as it needed to study their problems first.

Dr Mahathir said another reason why the companies were not doing well was because the people were not willing to pay high fares.

"The public feel they should have a world-class service but they are not quite willing to pay the full fare," he said, adding that if allowed to impose higher fares, both companies would be successful.

Dr Mahathir said this was possible as Putra carried almost three million passengers a month.

Asked what was the appropriate fare, Dr Mahathir said it should be about double the present rates.

Elaborating, he said a commuter paid less than RM3 to travel the whole length of the 29km Putra route.

In comparison, he said, those travelling on the KL-KLIA route, which is less than double the Putra route, would have to pay RM35 once it was operational.

Asked to elaborate on the Government's proposal announced earlier to take over the two companies, Dr Mahathir said it was still finding ways to make the services viable.

He welcomed feedback from the public.

In December, the Government said it would be taking over the assets of light rail transit firms for RM6 billion in a major restructuring of the city's public transport system.

It will result in the Government owning the assets and leasing them, franchise-style, to the private sector.

The takeover, it said, was part of a larger plan to integrate rail and bus services to enable commuters to move easily within the city and the outskirts.

The plan was drawn up by the Corporate Debt Restructuring Committee, which was tasked with conceptualising a proper public transport system for Kuala Lumpur after the two LRT concessionaires requested help to overcome their debt problems.

The Government said it would finance the LRT assets acquisition through a series of five-to-15-year bond issues that will carry a coupon rate of 5.8 to 7.2 per cent.

Earlier in his speech, Dr Mahathir commended Monorail Malaysia Technology Sdn Bhd for its bold move to manufacture monorail systems and services locally.

MMT is a wholly-owned subsidiary of MTrans Holdings Sdn Bhd.

The MMT manufacturing facility occupies a nine-hectare plot which houses

a one-kilometre test track, a factory equipped with cutting edge machinery and tools and an administrative building.

The monorail can be coupled into a two-car, four-car, eight-car, 10-car or 12-car train. Each car can accommodate 107 passengers.

The first fleet of trains rolled out early this year and would be used for KL Monorail in the federal capital in July next year.

MMT is the system supplier for KL Monorail and is involved in the planning, design, construction, supply, testing and commissioning of the monorail system.

The contract value is RM350 million and includes 12 sets of two-car trains, electrification of 8.6km of tracks, five electrical substations, and a signalling and communication system.