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PM: No rise in MRT cost amid ringgit fall

by P PREM KUMAR

CONTRACTORS of the RM23 billion Sungai Buloh-Kajang Mass Rapid Transit (MRT) project will absorb any additional cost due to the ringgit's depreciation, Prime Minister (PM) Datuk Seri Mohd Najib Razak said.

He said to date, contractors of the MRT's first line had incurred RM600,000 in additional cost and the local unit's depreciation will not impact the overall construction project cost as contracts were inked before the currency's decline.

"The depreciation of the ringgit does not have any effect on cost increases involving the Sungai Buloh-Kajang MRT project as the value of all construction contracts, including

contracts that involve foreign contractors are in ringgit.

"The contracts were signed before the ringgit's depreciation. As such, any increase in cost will be borne by the contractors," he said in a written reply to Setiawangsa MP Datuk Ahmad Fauzi Zahari.

Najib also said the Sungai Buloh-Kajang MRT line is on schedule and is already 70.21% completed.

The first phase of the project between Sungai Buloh and Semantan is expected to be completed and operational on Dec 31, 2016. Phase two of the project from Semantan to Kajang is scheduled to be completed and operational on July 31, 2017.

Meanwhile, Deputy Minister in the Prime Minister's

Department Datuk Razali Ibrahim said the Malaysian and Singaporean governments remain committed to implementing the high-speed rail (HSR) project.

The HSR project, which is being constructed during a challenging economic environment, would start from Jurong East, Singapore.

"Only 4% of the HSR will be in Singapore while the rest is in Malaysia's territory. So Malaysia remains committed to implementing the project.

"The two prime ministers also recently announced (they plan) to revise the project on technical terms, operational and safety. Once those issues are finalised, a definite timeline would be released," he told the Dewan Rakyat.

HSR stations would be built in Bandar Malaysia, Seremban, Ayer Keroh, Muar, Batu Pahat and Nusajaya in Malaysia, and Jurong East in Singapore.

The HSR was initially targeted for operation by 2020. But it was pushed back by the prime ministers of both countries, citing complexities of the project.

Both countries are expected to reach an agreement by year-end on a new timeline for the railway link.

Malaysia has proposed a route running through five coastal cities. Railway companies from Japan and China have expressed interest in the project.

The project is expected to generate RM100 billion to the country's gross domestic product.