

**ACCCIM claims MRT abused as front for land grab**  
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**By Yow Hong Chieh**

KUALA LUMPUR, Aug 27 — The country's largest Chinese business association has accused the regulator and the owner of the Klang Valley Mass Rapid Transit (MRT) of abusing the Land Acquisition Act to acquire a prime land bank for property development by "favoured parties".

In a no-holds barred letter sighted by The Malaysian Insider, the Associated Chinese Chambers of Commerce and Industry Malaysia (ACCCIM) told the transport minister that the Land Public Transport Commission (SPAD) and Syarikat Prasarana Negara Bhd (Prasarana) should stop the abuse and focus on developing an efficient public transport system instead.

"Since SPAD/Prasarana announced the 'rail plus property' model to develop the MRT, the private sector was already apprehensive that they will abuse the Land Acquisition Act to compulsorily acquire large tracts of land under the guise of MRT station needs with the true underlying purpose of parcelling out to favoured parties to develop in unfair competition with the private sector.

"This abuse must be stopped. The private sector does not have any objections if SPAD/Prasarana develops properties around the MRT stations on state land, e.g. RRI land in Sungai Buloh, Malaysia Financial Centre in Sungai Besi, Cochrane Road, etc," ACCCIM president Tan Sri William Cheng said in a letter to Datuk Seri Kong Cho Ha dated this August 22.

The multi-billion project is 51km-long, including 9.5 km of underground tunnels, and stretches from Sungai Buloh to Kajang. Putrajaya has also reserved 43 per cent of the works bill, or RM8 billion in value, for Bumiputera contractors in the country's most expensive infrastructure project.

Property owners protest against the proposed acquisition of land in Chinatown for the MRT project, in Kuala Lumpur August 9, 2011. — Picture by Jack Ooi  
In his letter, Cheng said the private sector was in effect subsidising the MRT, citing the "incredulous" proposal mooted by SPAD and Prasarana to acquire prime land in Bandar Utama after one of ACCCIM's members, Bandar Utama Development, refused to foot the bill for the proposed station there without compensation.

"The MRT station appears to [have been] surreptitiously moved away from the operating 1 Utama Integrated Transportation Hub and the developer was given the choice to have the station reverted back to its original ideal position if the developer acquiesced to build and surrender the station plus 500 Park & Ride [parking lots], forego any land acquisition compensation and to also build a commercial building.

"Arising from the developer declining to acquiesce to these onerous and unfair demands, an acquisition of five acres of prime Bandar Utama commercial land worth at least RM150 million has been proposed under the guise of building car parks for Park & Ride facilities, which is incredulous," he said, adding that such tactics could not be condoned.

Cheng added that SPAD and Prasarana should not "hide behind" the Land Acquisition Act

while taking private land that would otherwise appreciate in value due to proximity to planned MRT stations — as was the case in Jalan Sultan — and refusing to compensate other property owners for the depreciation that will be experienced due to their closeness to elevated MRT tracks.

He suggested that the MRT line should go underground in built-up areas with no track reserves as the long-term cost of social and environmental damage would far exceed the additional one-time cost of going underground in densely populated areas.

It was very clear from the two cases cited, Cheng added, that SPAD and Prasarana were “clearly distracted” from its main objective of building an efficient MRT system, which was their sole charter, by the need to capitalise on the likely appreciation of property values to maximise returns.

Putrajaya’s powerful efficiency unit admitted in a recent letter to Cheng that the Najib administration needs to acquire and develop land along the MRT route as it cannot afford the multi-billion ringgit project otherwise.

In a letter obtained by The Malaysian Insider, Performance Management and Delivery Unit (Pemandu) chief executive Datuk Seri Idris Jala told Cheng that the government was pursuing a “rail-and-property” model as it would not be able to recover the cost of the first line between Sungai Buloh and Kajang through fares alone.

“For the government to manage the project efficiently and sustainably, fare box revenue will not be sufficient to finance the high [capital expenditure] and [operating expenditure] for the MRT network,” Jala said in the letter dated August 23.

The opposition has flayed the proposed acquisition of prime land as a land grab and demanded that the government open up the estimated RM50 billion project to parliamentary scrutiny.

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