

No Need For Penang Undersea Tunnel, Says Minister

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By WT Webmaster

Works Minister Fadillah Yusof says two bridges connecting island and mainland not fully utilised and can be expanded.

(FMT) – The works ministry today said building an undersea tunnel to connect George Town and Butterworth might not be worth the cost as the two bridges were not fully utilised.

Works Minister Fadillah Yusof said at present, the Penang Bridge was 87% utilised while the second bridge's utilisation was only at 50%.

He said the two bridges could be “expanded and maximised” and there was “no urgent necessity” to build a new link.

“We are concerned that the tunnel may not be financially viable... both existing bridges can still be maximised or expanded,” he said in a statement today.

Yesterday, Penang Chief Minister Lim Guan Eng said the undersea tunnel would be built in 2023 and completed by 2027 when the two bridges were expected to be operating at maximum capacity.

The RM6.3 billion Penang tunnel-roads project was awarded to a consortium in 2013 and has since come under greater scrutiny from various quarters following several arrests by the Malaysian Anti-Corruption Commission.

The roads project is expected to kick off this year, after approval from the federal environmental regulators.

Fadillah said while the Penang government had indicated an interest to build a bridge instead of an undersea tunnel two years ago, the works ministry had not received any supporting documents it requested.

The Penang government had asked Putrajaya for permission to build a toll-free bridge from Gurney Drive to Butterworth, following criticism of the tunnel project.

“The state government has yet to revert to us with any supporting documents, including the grossly overpriced RM305 million reports (on the project), despite repeated requests from us.

“This leads us to question the sincerity of the Penang government’s request,” he said.

Fadillah also asked why the undersea tunnel would begin only in 2023 when the project was awarded in 2013.

He said it was unusual for a government to award a project that would only begin some 10 years later, as the environmental situation and land use might change by then.

Fadillah said the Penang government might be overpaying for construction costs by giving up prime land based on today’s value, as the project would only take place in the future.

“Given the fast appreciation in value of prime Penang land seen over the past decade, it is not unreasonable to suggest that the cost of land given as payment by the time the tunnel finishes construction in the year 2037 would have doubled or tripled in value,” he said.

Fadillah said the toll collection concession agreement was the “most lopsided agreement Malaysia has seen”.

He said the company in charge had been given 30 years to collect tolls, despite benefiting from the appreciating cost of the prime land and construction profits.

“This is unlike the standard concession agreements where the toll concession company funds the construction cost of the highway or tunnel and, upon completion, collects toll to repay its borrowings and make a profit,” he said.

Fadillah said he was also concerned over one of three main bypasses that would be built as part of the tunnel project.

He said the 10.5km Tanjung Bungah to Teluk Bahang bypass might cut travel time by 10 minutes, but would damage the environment in the long run.

“This road, that will be built on environmentally-sensitive steep hill slopes, may lead to bottlenecks that could cause further congestion in the surrounding traffic system.”

FMT is awaiting for comments from state Public Works Committee chairman Lim Hock Seng.

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