



MEDIA RELEASE

MRT PROJECT CONSTRUCTION COST CLARIFIED

Kuala Lumpur, 24 December 2016: Mass Rapid Transit Corporation Sdn Bhd (MRT Corp) notes with disappointment recent attempts to politicise the Klang Valley MRT Project which has involved the spread of false information and figures.

In the one week since the First Phase of service for MRT Sungai Buloh – Kajang (SBK) Line commenced operations, approximately 210,000 passengers have used the service, which shows the enthusiasm and excitement with which it has been greeted by members of the public.

Despite the facts on the ground making clear the benefits of the project, YB Rafizi Ramli has described KVMRT as a 'bad' project. However, he has not provided any explanation as to why an improved public transport system is bad for the people.

One of the assertions made with respect to KVMRT recently has been around a figure of RM40 billion which has been described as the “original budget” of the project. We wish to make clear that this figure was derived from a conceptualised proposal back in 2010 and is therefore no longer relevant to be used for comparison with the current Project that has materialised.

The RM40 billion figure was originally submitted in a private sector proposal for a three-line KVMRT Project (to be built concurrently) to the Government back in 2010 and it was based on prices in 2009. The amount did not include electric trains and related systems as well as land acquisition.

However, after it was submitted to the Suruhanjaya Pengangkutan Awam Darat (SPAD), the Government reviewed and carried out a study on the proposal. The conclusion of the study in 2010 resulted in the model for the KVMRT Project being changed significantly.

Furthermore, contrary to YB Rafizi's comments, the KVMRT Project today is not a privatised project. It is wholly owned and funded by the government through MRT Corp.



At the end of 2010, the Government approved the construction of the MRT Sungai Buloh-Kajang (SBK) Line, the first of the KVMRT Project. The SBK Line could be carried out first as the alignment had undergone many studies carried out by other parties prior to the submission of the consortium's proposal.

Upon the finalisation of the SBK alignment and the procurement process, MRT Corp was able to announce in December 2012 that the budget for the construction cost of the SBK Line would be RM23 billion.

Similarly, MRT Corp arrived at the estimated construction cost for the MRT Sungai Buloh-Serdang-Putrajaya (SSP) Line at RM32 billion on the basis of the tenders it had awarded for the construction of the line. All tenders for both SBK and SSP Lines were awarded through open tender system.

For the proposed MRT Line 3, also known as the Circle Line, MRT Corp has always stated that the feasibility study for the line was currently being carried out. The results are expected to be known in the first quarter of 2017.

In view of this, it would not have been possible for MRT Corp to give a cost estimate for the MRT Line 3. Any figure which had been reported as the cost of the MRT Line 3 would be purely speculative and had come from other sources, and not MRT Corp. As such, any assertion that MRT Corp had announced a figure for the cost of MRT Line 3 is absolutely erroneous.

We are disappointed that YB Rafizi is attempting to politicize a project that is clearly benefitting members of the public. However, MRT Corp will remain focused on ensuring that the SBK Line operates smoothly and the Second Phase of the project is completed on time.

MRT Corp will also focus its energies on ensuring that the construction of the SSP Line is delivered on time and within the budgeted cost.

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