

MRT Corp: Turnkey model can save govt billions

KUALA LUMPUR: Building the third line for the Klang Valley MRT (KVMRT) project on turnkey basis will save the government billions of ringgit, compared to calling for tenders and funding from DanaInfra Nasional Bhd.

Mass Rapid Transit Corp Sdn Bhd (MRT Corp) recently invited construction and infrastructure development companies to participate in the tender process to build the MRT Line 3 on a turnkey basis.

MRT Corp chief executive officer Datuk Seri Shahril Mokhtar said the turnkey financing method would ensure savings on interest, thereby reducing the

MRT Line 3 development cost.

“The reason we are going with this method is to test the market and explore another financing option to lower the borrowing cost. Should we not receive favourable bids, than we can always switch back to Danainfra.

“The successful tenderer (for the turnkey contract) would act as a ‘match-maker’ for MRT Corp. They would have to get the financing in place for the MRT Line 3 development.

“We strongly believe that this method of developing the MRT Line 3 will save a lot of public money,” said Shahril, here, yesterday.

Construction is expected to be-

gin by September 2019.

He said the project would be developed in two phases with Phase 1 completion target in December 2025 and Phase 2 by September 2026.

Shahril declined to reveal the MRT Line 3 development cost.

“I have the figures (cost for MRT Line 3), but we cannot disclose it. If you look at the 51km MRT Sungai Buloh-Kajang (SBK) Line 1, the cost was RM21 billion and it involved 9.5km of underground works.

“The cost for the MRT Sungai Buloh-Serdang-Putrajaya (SSP) Line 2 involving 51.2km with 13.5km underground is estimated at RM32 billion. The differ-

ence in cost between the SBK and SSP line is 40 per cent.

“The total length for the MRT Line 3 is 40km. Majority of the alignment is in Kuala Lumpur city centre and 80 per cent, or 30km, will be built underground, so it would be costlier (than MRT 1 and MRT 2),” he said.

Shahril said land acquisition cost would also be costlier for the MRT Line 3 as it would be mostly focused in the Kuala Lumpur city centre.

NST Business previously reported that MRT Line 3 would cost at least RM50 billion for a distance of between 45km and 48km with a bulk of it built underground. **Sharen Kaur**