

**This is an English-translated version**

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**Projected total cost of LRT3 estimated at RM31.45 billion due to poor management by Prasarana Malaysia Bhd requires drastic cost reductions to make the LRT3 cost-effective**

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The 37km Light Rail Transit 3 (LRT3) project is a critical project meant to alleviate the issue of traffic congestion along one of the most important and densely populated economic development corridor in the Klang Valley, from Klang to Petaling Jaya. The new LRT line is expected to serve a 2-million population with the capacity to transport 36,700 passenger per hour each way.

However, the projected total cost of LRT3 of RM31.45 billion due to poor management by Prasarana Malaysia Bhd requires drastic cost reductions to make the LRT3 feasible and cost-effective. Certain news reports have indicated that the LRT3 cost can be reduced by RM6 billion. The Ministry of Finance wishes to state that much more than RM6 billion must be reduced if the LRT3 project is to proceed.

Prasarana Malaysia has previously secured a government guarantee for a RM10 billion bond facility to fund the project in 2015. However, on 30 March 2018, Prasarana has requested for an additional RM22 billion in government guarantee to ensure funding for the construction and completion of the LRT3 project. The Ministry of Finance has already requested Prasarana to drastically review the cost of the project to ensure its viability.

The Ministry of Finance will not support any additional funding required for the project unless the cost of the LRT3 project is significantly rationalised without compromising on the integrity of the rail network as well as the safety and the quality of service provided.

Sayangi Malaysiaku!

Lim Guan Eng  
Minister of Finance  
Finance Ministry  
Putrajaya  
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