



Persatuan Pengguna Pulau Pinang Consumers Association of Penang

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Press Release

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CAP AGAINST RM1 BIL LOAN FOR PENANG TRANSPORT PLAN

The Consumers Association of Penang (CAP) is shocked that the Penang State Government is seeking a RM 1 billion loan from the Federal Government to jump start the Penang Transport Master Plan (PTMP) to facilitate the Pan Island Link (PIL) and the Light Rail Transit (LRT) projects.

Earlier, the Penang Chief Minister Chow KonYeow and his predecessor who is presently the Finance Minister, had assured the public that the project would not involve any public funds.

Now a different story is being told and if this loan goes through, it may put at risk the financial situation of the state of Penang. There are large economic and environmental risks associated with the PTMP and it is doubtful that some key projects linked to the plan can generate revenue to pay for themselves.

Moreover, what if it is later found that the RM 1 billion is insufficient and the State would have to borrow even more? This will only add a heavier burden on the State and the people of Penang.

We have been told by the Federal government, including the Finance Minister Lim Guan Eng that Malaysia cannot afford to have new mega-projects because of the trillion-ringgit national debt.

Why should an exception be made for the PTMP? The estimated cost of the project is over RM40 billion.

Indeed, funds from the Federal Government are required for Penang. But these funds are needed for essential expenses including the rehabilitation of hundreds of hillslopes and hill areas affected by landslides and by neglect and improving the state of our rivers and the creation of green spaces and permeable surfaces to absorb rain water. Funds are also needed for rehabilitation and conservation of coastal areas such as beaches and mangrove forests, flood mitigation projects, and improving the living conditions of vulnerable and poor communities.

These are all vital areas for financing if Penang is to recover from the damages caused by recent storms, high winds, heavy rainfall and floods and to prevent or minimise future such problems.

The Penang government should be requesting the Federal Government to urgently finance a comprehensive strategy and plan to avoid future floods and other environmental disasters.

The PTMP, especially with the cutting of hills and the massive land reclamation from the sea would add on to these environmental problems rather than solving them.

CAP reiterates its call for a comprehensive review of the entire PTMP.

The recent release of the Environmental Impact Assessment for the PIL shows that many public amenities, including the Youth Park, schools, temples, and sensitive areas such as Penang Hill and other hills will be seriously affected. Many communities are now waking up to the fact that the PTMP will have a disastrous effect on the way of life and environment in Penang.

This PTMP should be suspended until a comprehensive review is done and the communities which will be seriously affected in Penang are able to understand the impacts of the Pan Island Link (PIL) and are able to provide feedback.

The Penang State Government should not be asking for the RM 1 billion loan to accelerate the PTMP's implementation and the Federal Government should not be providing such a loan.

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