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MOT explains ECRL price tag, says RM50.27 bil is for construction alone

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KUALA LUMPUR (Dec 22): It will cost the country RM74.96 billion in total to build the East Coast Rail Link (ECRL) that connects Kota Bharu and Port Klang, said the Ministry of Transport (MOT). The sum of RM74.96 billion consists of construction cost of RM50.27 billion, while other development costs amount to RM24.69 billion.

The ministry said that the development costs involve the interest during construction, land acquisition, utility transfer and connection fees as well as operating expenses.

To recap, the original cost of the rail project, which was launched in 2017, amounted to RM85.97 billion (ECRL 1.0), including construction cost of RM66.78 billion and other development costs, such as land costs and interest expenses, amounting to RM19.19 billion. It was then revised to RM66.02 billion (ECRL 2.0), after the change of government in 2018.

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BY HAILEY CHUNG
theedgemarkets.com

According to the cost breakdown by the MOT, the overall cost of the ECRL 3.0 is higher than the ECRL 2.0 mainly because interest expenses have soared to RM15.59 billion, up RM3.89 billion from RM11.7 billion for the ECRL 2.0. Interest expenses were estimated to be RM11.09 billion for the ECRL 1.0 then (See table).

In comparison with the ECRL 2.0, construction cost of the ECRL 3.0 has also escalated to RM50.27 billion versus RM44 billion. However, land acquisition cost has been revised down to RM7.55 billion from RM8.92 billion.

Comparably, based on data provided by the MOT, the ECRL 2.0 (around 2019 to 2021) had a construction cost of RM44 billion, and development costs of RM22.02 billion.

The MOT's statement came after Prime Minister Datuk Seri Anwar Ibrahim announced on Wednesday (Dec 21) that the overall cost of the underway ECRL had been reduced by RM11.01 billion, compared with the ECRL 1.0.

The ministry said that the ECRL 3.0 managed to bring down the construction cost, against the ECRL 1.0, through contract renegotiations.

"Some factors include the comprehensive implementation of value engineering, and the realignment of ECRL tracks on Section C (Temerloh-Serendah-Klang Port) that has contributed to the reduction in the overall construction cost," it said.

The ECRL project involves the construction of a 665km railway line, with 20 stations from Kota Bharu to Port Klang. It also involves the construction of the Serendah Bypass, which facilitates the movement of cargo from the north, and railway extension from Station Jalan Kastam to both Westport and Northport terminals.

ECRL project development cost comparison

Cost breakdown	Original cost (ECRL 1.0) (RM bil)	Amended cost (ECRL 2.0) (RM bil)	Latest cost (ECRL 3.0) (RM bil)
Construction cost	66.78	44	50.27
Land cost/TNB fee	7.55	8.92	7.55
Project cancellation/suspension cost	—	1	1.1
Interest during construction	11.09	11.7	15.59
Operating expenditure	0.55	0.4	0.45
Total	85.97	66.02	74.96

Source: Ministry of Transport

