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Finance Minister Lim Guan Eng (second from right), Bank Pembangunan Malaysia chairman Datuk Zaiton Mohd Hassan (second from left) and Bank Pembangunan president/group chief executive officer Arshad Mohamed Ismail (far right) at the launch of the bank's Transport Fund. NSTP photo by NIK HARIFF HASSAN

KUALA LUMPUR: The government has launched a RM500 million Public Transport Fund to encourage public transport adoption while improving and enhancing transport-related infrastructure in the country.

The fund will be managed by Bank Pembangunan Malaysia Bhd. The fund which comes with a subsidised two per cent financing, can be applied for the purchase of public transport vehicles such as taxis and buses.

It can also be utilised by operators, suppliers, manufacturers, assemblers of public transport vehicles and contractors as well as developers of public transport infrastructures. While addressing there are ample room for improvements, Finance Minister Lim Guan Eng said the public transport modal share remains low despite heavy investments into rail and bus services.

"A lot still need to be done to achieve the government's target to increase public transport's share of journeys to 40 per cent by 2030 from 21 per cent in 2017.

"Car ownership by Malaysians is also high at 93 per cent, making it the third highest in the world," he said before launching the fund here, today.

The Public Transport Fund is one of the three separate funds totaling RM4.5 billion which the ministry has mandated the Bank Pembangunan to manage in the 2019 Budget. Bank Pembangunan chairman Datuk Zaiton

Mohd Hassan said it is timely to fully utilise the country's public transportation system and remove the stigma that public transportation is for 'people who could not afford their own cars'.

"Most of the rail services nowadays are very much concentrated in the Klang Valley and this should be expanded to other states such as Penang and Johor.

"Public transportation will shorten travel time, reduced road accidents, lesser expenditure of fuel and toll as well as job opportunities for the urban and rural people, which would also boost income," she said.

In Malaysia, transportation is the second highest energy consumer after electric power generation.

Of this, road transportation accounts the vast majority or 85 per cent of transportation emissions, with 59 per cent of it attributed to cars.