

NATIONAL FORUM ON PUBLIC TRANSPORTATION IN MALAYSIA

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An Alternative Vision for Transport in Malaysia.

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The PSM believes that the Transportation System in Malaysia is in a terrific mess. It is expensive, polluting, unsustainable and is causing serious congestions and frequent jams in our major urban centres – it is manifestly inefficient on top of its other shortcomings! We shall look at these shortcomings a little later. But first lets take a look at the overall figures.

There were a total of 600,123 new cars¹ sold in Malaysia in 2011. Our per capita cars sales are high for a developing country though not as high as the rates in Europe and the USA. The table below summarises the figures -

Table One: Per Capita Car Sales in 2011

| Country /Region | Population | Car sales in 2011 | Car sales per 1000 population |
|------------------------|-------------------|----------------------------|--------------------------------------|
| Malaysia | 27 million | 600,123 | 22.2 |
| European Union | 503.8 million | 19.2 million ² | 38.1 |
| USA | 313.8 million | 12.76 million ² | 40.7 |
| China | 1300 million | 15.5 million ² | 11.9 |

In a reply to a question posed by Dato Ngeh Koo Ham, the Minister of transport said that there were 21 million registered vehicles in Malaysia as of August 2011. The breakdown by type of vehicle given by the Minister is reflected in the Table below.

Table Two: Registered Vehicles in Malaysia 2011

| Category of Vehicle | Number |
|---------------------|-----------------------|
| Motorbikes | 9.84 million |
| Motorcars | 8.49 million |
| Lorries | 0.63 million |
| Vans | 0.61 million |
| Jeep | 0.45 million |
| Pick-ups | 0.33 million |
| Buses | 0.06 million (57,458) |

The Shortcomings of Malaysia's Approach to Transportation.

1. Expense

a/ Of the 600,000 cars sold in Malaysia in 2011, 179,989 were Perodua models and another 158,657 were Proton models¹. These 2 producers made up 56% of total car sales for 2011. This means that the remaining 44%, or 261,477¹ were imported. As 110,000 APs (Approval Permits) were given out for vehicular imports in 2011, we can assume that 161,000 units of foreign models assembled in Malaysia (termed CKD – completely knocked down) were bought by Malaysians in 2011, while 110,000 units of fully assembled cars (CBU – completely built units) were imported into Malaysia in 2011.

What does this mean in terms of dollars and cents?

161,000 locally assembled foreign models. If we assume an importation price of RM 50,000 per unit on the average, that works out to 161,000 units x RM 50,000 = RM8,050,000,000. ie RM 8 billion.

The 110,000 foreign models imported fully assembled would have cost more per unit. If we can assume RM 100,000 per unit on the average the outflow of Malaysian currency due to these purchases would be 110,000 units x RM 100,000 = RM 11,000,000,000 or RM 11 billion.

These are obviously very rough calculations, but what they establish is that there is a significant outflow of foreign exchange – in the order of RM 10 to 20 billion per year - due to purchase of foreign cars.

b/ Cars need fuel to run, obviously. If we assume that the 9.88 million cars, vans, jeeps and pick-ups on Malaysian roads each use an average of RM 100 of fuel per month, the cost for a year is $9.88 \text{ million} \times \text{RM } 100 \times 12 \text{ months} = 11,856 \text{ million}$ or RM 11.8 billion per year. (In comparison the total Penang Government State Budget is only about RM 800 million (0.8 billion).

c/ The other expense is the cost of highways and bridges – the second link in Penang, the Outer Ring Road being planned for Penang – all being built in desperation to partially resolve the problem of congestion and traffic jams.

2. Financial burden on poorer families.

Tan Sri Nor Mohamed b Yakcop, a Minister in the Prime Minister's Department said, in a speech in Parliament on 24th October 2011 that 40% of Malaysian families have a monthly household income of less than RM 2300³. Another 20% of Malaysian families have household incomes of between RM 2300 and RM 3000 per month³. ie 60% of Malaysian families have a household income of less than RM 3000 per month.

However many of these families own cars – perhaps not new ones, but the much cheaper second-hand variety. And they do so because they do not have choice. The family needs to go places, and in the absence of an efficient public transport system, the private car becomes a necessity for even poorer families.

But second hand cars can be expensive as they need periodic maintenance. And then there is the cost of road tax, insurance and of course petrol. All these expenses put a strain on the finances of these families, diverting income away from other crucial needs.

3. Greenhouse gas emissions

The table below gives the breakdown of energy consumption of different sectors of the Malaysian economy in 2010 as estimated by the Malaysian Energy Commission.

Table Three: Energy Consumption in Malaysia 2010

| Sector | Energy Use in kilo tonnes oil equivalent | Percentage of total energy use |
|----------------|-------------------------------------------------|---------------------------------------|
| Power Stations | 33,294 | 50.5% |
| Residential | 718 | |
| Commercial | 1,722 | |
| Industrial | 8,621 | 13.1% |
| Transport | 16,809 | 25.5% |
| Agriculture | 1,050 | |
| Total | 65,910 | |

If we wish to reduce our carbon footprint, we have to look seriously at power generation and transport which together contribute 76% to our carbon dioxide emissions. According to the Wikipedia, efficiencies of transport in Japan in 1999 were 68kWh for a personal car, 19 kWh for a bus and 6 kWh for rail per 100p-km (to transport 100 persons for 1 kilometer, or 1 person for 100 km).

4. Damage to our Urban Environment.

The private cars has put our cities under duress – the roads are dusty and congested, and there is a smell of exhaust fumes in the air. There is insufficient space to park leading to double parking and further congestion. In an attempt to ease congestion, elevated highways are built, but these serious reduce the quality of air and life in the corridor adjacent to these highways. How much nicer it would be if we could have small parks and grow trees in 1/3 of the spaces that we now reserve as car parks!

Jams are a daily feature and time to travel to and from work is 2 or even 3 times longer than it should be. Life is as a whole more stressful – but it need not be so!

A greener, sustainable vision for Transportation in Malaysia.

An environmental friendly, sustainable, less expensive transportation system, would have the following features –

1. A good network of bus and train routes within our cities and towns and in between our cities. A system relying on buses is much less costly to implement as it would use the existing roads. Urban train systems are more than 100 times more expensive to develop⁴.

Cities such as Curitiba, Brazil are examples that we can learn from if we decide to implement a bus-based public transport system.

2. Decongestion of our roads by a mixture of zoning laws and economic disincentives to driving private cars – the road tax could go up, the cost of petrol should be allowed to rise, higher charges for parking, having to pay toll for entering the urban centres, etc.

3. Public transportation should be regarded as a public good – something that cannot be left to profit driven corporations - as part of the “commons” which should be provided at affordable rates to the general public.

4. The management of the transport system of a city or district should be by a collective comprising of transport workers, elected local government representatives, and members of the public, and should have built in mechanisms to obtain complaints and feedback from the users.

5. Our cities would become more livable when traffic congestion is alleviated, parking areas are freed up for recreation or for growing trees and/or other plants, streets are closed off to traffic so that they can be citizen malls and the bicycle can once again be safely used to move about in the city.

The Obstacles that have to be overcome!

It would be naïve to act as if all that is needed is to propose a reasonable masterplan for transportation. Such a position is like the proverbial ostrich as it refuses to acknowledge the powerful interests that want to maintain the existing dysfunctional system that we have at present. These interests include

- our local car manufacturers. Proton claims that it is only using 41% of capacity (Starbiz 31/10/2012) The corporate interests investing in Proton and Perodua would not be enamoured

with proposals to downgrade private transport, and they belong to the 1% who have good access to the people in power!

- the importers of cars – both the CKD (assembled in Malaysia) and the CBU (brought in fully assembled). There were 110,000 approved permits given in 2011 for the import of foreign cars. It would be safe to assume that the AP holder will mark up the price of the cars he brings in by about RM 30,000 per unit. That works out to $110,000 \times \text{RM } 30,000 = \text{RM } 3,300,000,000$ or RM 3.3 billion – just for acting as an importing agent! Surely the agents would oppose measures that reduce the demand for foreign cars. The CKD importers have invested in motorcar assembly plants in Malaysia – they would be very unhappy if overall car sales in Malaysia is driven down by a conscious policy of the government.

- the Toll operators. They are making huge profits at present. According to an answer to a question put by the PAS MP from Jerai, Kedah on 8/3/2011, the Minister of Public Works informed Parliament that the total profits for the Toll Concessionaires in 2009 and 2010 were RM 3.8 billion and RM 4.2 billion respectively. I don't think that anyone will dispute that these Toll Concessionaires are very close to the parties in government at present. We have to assume that they have a strong lobby in the corridors of power!

- petrol station owners. A switch away from the private motorcar would see their sales and income drop!

- the intellectually impaired government planners who still harbor the delusion that the “free market” is the best and most efficient allocator of goods and services (including public goods such as education, health and transportation!) This neoliberal myth that has been indoctrinated into the minds many government planners all over the world seriously impairs their capacity to plan in a rational manner!

- those who are misusing their control over the transport system to award permits, licences and projects to their family members and political cronies. At present the Licencing Board for Commercial Vehicles is under the Prime Minister's Department in Putra Jaya. Permits for bus routes in Gua Musang, Kelantan are determined in Putra Jaya. This has nothing to do with transport efficiency but everything to do with pay-offs for political supporters!

- a large percentage of the ordinary people who believe that the one only actualizes oneself if able to follow the American model of consumption – and this includes the 2 cars per family model! This is the most crucial group, for we need to win them over to the side of sustainable transport if we wish to move forward!

The Way Forward

We need to bring together a coalition of individuals and groups who are committed to the concept of sustainable transport system, and who are prepared to stay together and undertake an ongoing campaign to educate the Malaysian public.

We need to put Public Transport on the national agenda. People have to face facts – climate change is a reality, and the present trajectory of our transportation system is clearly not sustainable, and is making our cities unlivable! We need more environmentally friendly modes of transport. We need to develop a consensus among the people that we need to change from a private car based model to public transport.

We need to decentralize the management of our transport systems to city and district levels. The present concentration of decision making power in Putra Jaya is inefficient and ridiculous!

We need a change of Federal Government to one that is less arrogant, not so tied in with the 1% who are benefiting from the present arrangement of transportation in Malaysia and more open to new ideas and inputs from civil society.

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Notes:

1. Article by Eugene Mahalingam in StarBiz 12/5/2012. (Quoting Malaysian Automobile Association statistics.
2. Starbiz 4/1/2012
3. Hansards, Malaysian Parliament 24/10/2011. Pages 113 and 118.
4. Interview with Jaime Lerner, the former mayor of Curitiba. Sierra.