



WORLDREPORT

Keretapi Tanah Melayu Berhad (KTMB)

An exclusive report to be distributed with *THE INDEPENDENT*

Transcript of the interview with:

Dr. Aminuddin Adnan

President and Managing Director

WORLD REPORT: From your point of view as the Managing Director of KTMB, the major rail service provider in Malaysia, please assess the current state of development of Malaysia's transportation infrastructure? What are some of the trends you are observing? And, how is KTMB faring in today's environment?

DR. AMINUDDIN ADNAN: At the moment, KTMB is facing a shortage of rolling stock for our commuter service. This is based on the electrical multiple units (EMU). Because of this we have received a lot of complaints from the public because of the unavailability of trains at peak hours, and so on. To help rectify this issue, we have looked at the schedule to see if we can focus more on the busiest areas during the peak periods. We have managed to improve our frequency from every twenty minutes to every fifteen minutes. However, that is still not enough. We are looking towards getting it down to every ten minutes in the future. Recently, the government has decided to embark on the national key performance indicators (KPI) for the ministers and improving public transportation is one of them. Through our discussion of the issues that were brought up by the committees for the public transportation system, they have decided to improve on the rolling stock they build per year in order to provide decent service to passengers and commuters. In comparison, the other public transportation system, the light rail transit (LRT), is doing quite well with a rating of more than 90 per cent. At present, the most pressing challenge we face is the

procurement of new rolling stock by 2012, and its financing. At that point in time, we hope to be able to meet the needs of all of our clients.

WORLD REPORT: When you say you will achieve your rolling stock targets by 2012, to which numbers are we referring?

DR. AMINUDDIN ADNAN: We are looking at procuring more than thirty, six-car trains and refurbishing about fifteen of the existing ones so that we can meet the numbers in the long term, as well as the short term. The refurbishment of the fifteen could be finished in a year or two. We will use those to start encouraging the public to use the commuter service. Once we get our new set of rolling stock and we can improve our frequency, I am sure people will return to using the commuter trains. Our numbers once reached 105,000 passengers per day. Now, they've dropped by about 20 per cent to nearly 80,000 because we do not have the rolling stock. We want to attract the previous commuters and increase the numbers by another 50 to 100 per cent.

WORLD REPORT: Yesterday, we were at the launch of your Ipoh faster service. And, as I understand, one of the initiatives is to bring the number of commuters back to the original levels, which will cut down travel time. Other than rolling stock, introducing faster connections, and modernising, I understand that you also have some electrification projects going on in various parts of the country.

DR. AMINUDDIN ADNAN: Currently, we have doubled the track extension from Ipoh in the north near the Thai border, which should be completed by 2013. In the south, we have further work underway that should be ready by 2012. And, we will extend additional routes by 2015. All of this work is ongoing. The train you saw yesterday was meant for the suburban network but because of the current shortage until we get the new sets, we will use these trains as a short term solution to improve capacity for the commuter services.

WORLD REPORT: In terms of financing the various projects you have in place, you mentioned that the government has contributed some money;

but, is that the only method by which you will finance all of these developments, modernisations, and electrifications? Or, are you looking at other options, as well?

DR. AMINUDDIN ADNAN: Currently, the government is funding all of the new double track electrified lines and commuter trains. At the same time, we are looking at the corporate restructuring of KTMB. Once we have sorted out our current borrowings and we are in a position to raise funds in areas where locomotives and coaches are needed, we will be looking into raising our own funds from the market.

WORLD REPORT: Locally only? Or are you also looking internationally?

DR. AMINUDDIN ADNAN: Locally first. But, if future plans lean toward converting our service from a middle gauge to a standard gauge, then we will probably look into foreign funding.

WORLD REPORT: Are all of your projects limited to trains themselves or should we also talk about the rail network?

DR. AMINUDDIN ADNAN: We are looking at trying to meet our current capacity from our existing customer and passenger base; but, in the future we will be looking at expanding our routes to the east. We do not have a straight route from Kuala Lumpur to Kelantan. Currently, you have to travel down to the south and then back up again to the north. There is a study being done to look at adding a potential line from Kuala Lumpur to Kelantan and then linking Kelantan to the north and south. With the commission of this double track, we hope to introduce commuter service to some of the major cities like Penang and Ipoh. Those are some of the future plans in terms of the rail network itself.

WORLD REPORT: How about the Borneo-Sarawak link? Is that an area where you will be looking to expand your range of services?

DR. AMINUDDIN ADNAN: Currently, the usage has not been in as high demand as it has been in west Malaysia. The population is still very sparse and in-between. Frankly, the demand is not enough to justify a big investment. Personally, I think there is a demand for tourism, and it warrants a real link to take them to the interior. We should be looking at all of those options.

WORLD REPORT: Speaking of tourists what is, more or less, the division between local commuters and Malaysian users of your train service as compared to foreigners and tourists visiting Malaysia?

DR. AMINUDDIN ADNAN: There is a growing demand for foreign tourists taking our trains, especially once the Ministry of Tourism has developed some new packages such as home stays and other new tourist attractions. I would say that now it ranges from 10 to 20 per cent depending on which part of the region is being referenced. We hope to build on this because of the increasing demand in tourism. We are also looking at ecotourism and health tourism. There is potential for big developments in these areas in the future. We have decided that after making commuter service our number one priority, we will make tourism our number two priority in the city because of the great demand. We hope to develop some packages that will provide door-to-door service for tourists to be comfortable and feel that it is worth coming to Malaysia, especially with our favourable exchange rate. You really get value for your money.

WORLD REPORT: One of the other areas I would like to focus on is “One Malaysia.” This is following some comments made by the Minister who mentioned that an extensive transport network, whether by air, road or railway is imperative to the development of this concept of “One Malaysia.” What is your view on this? How important are railways to really uniting a country in its diversity and carrying it forward as one nation?

DR. AMINUDDIN ADNAN: Transportation is the key to bring about harmony in a multiracial society. We notice that a lot of the lower and middle income people rely heavily on public transport. If you keep them happy, they will keep you in

business. It is very important because of the numbers. Even though we have a local car manufacturing industry, there are still those who find it unaffordable. This luxury is only for middle- to high-income levels. The majority of people still rely on public transport and the network it provides around the country. The roads have been developed a bit better than some other developing countries, but we are still behind when compared to Europe, Japan, and the United States. We need to further invest and develop because we do not have extensive road networks, and a lot of people still rely on buses and trains to get to work. For “One Malaysia,” if you can have a good network of trains and roads, it will help people to travel faster and better, whether people are doing business or are students who are studying. Everyone takes public transport. If you have a good network, good customer service and good, standard levels of comfort and safety, there will not be any screaming about a lack of public transport during the next elections.

WORLD REPORT: You took over KTMB earlier this year and you have really turned the company around. As you’ve mentioned, you have lost some passengers to air travel and bus transport services, but now you are modernising the network, introducing new, faster connections, and doing studies. Where would you like to see KTMB in the future under your leadership?

DR. AMINUDDIN ADNAN: We are the only rail operator that has a nationwide network. The rest are only within Kuala Lumpur. We can expand to other regions of the country, provide commuter service in new growing cities like Penang and Ipoh, and also provide freight services at a much faster pace in the future. With the electrified double track, I hope we can procure more electric locomotives to provide a faster service. At the same time, this will be an environmentally friendly system that will cut down on CO2 emissions. The government should give us some priority since we are also working towards minimising global warming and climate change. Apart from this, we are looking to upgrade our line from a middle gauge to a standard gauge, as is used in Europe and Japan, so that we can run a faster train at 200 km/hour. With a 200 km/hour train, we will be able to reach Singapore in 90 minutes. That is similar

to what is in place in Europe between London and Paris on the Eurostar. Of course, it takes two and a half hours but the distance is longer. Currently, it takes six and a half hours to travel from Kuala Lumpur to Singapore. The high-speed train could do it in one and a half hours and replace the airline route. In relation to the rest of the country, we will be able to reach cities in west Malaysia each within an hour... Kuala Lumpur to Ipoh or Ipoh to Penang for example.

WORLD REPORT: That is faster than airplane travel if you add in check-in time.

DR. AMINUDDIN ADNAN: This is better because you are already in the city centre. And, while on the train you can still do your work, make phone calls and access the Internet.

WORLD REPORT: If you had a final message to send to our European readers about KTMB, what would you like to say?

DR. AMINUDDIN ADNAN: We are in the process of upgrading and modernising our system. There are opportunities for investment. We are looking into liberalising our network for someone to take over our assets. And, we are also looking for second or third operators who can bring in commuter, intercity and freight services. These are opportunities for both local and foreign investors. There needs to be investment in developing the infrastructure, in addition to new rolling stock. In terms of tourism, we hope we can attract more Europeans and Japanese by opening up the home stay programme. We hope for ecotourism to increase via the rainforests we have in Malaysia, as well as health tourism because of our good, reasonably priced medical facilities. Even the regional populations are coming here for our health facilities. Malaysia is truly Asian in terms of food, hospitality, and all the rest. If you go to Jakarta, you will not encounter such a good transport system. There are more cars and motorbikes. Besides Bangkok, Malaysia is one of the few countries in the region that has a good train network with a system that can do 160 km/hour.

WORLD REPORT: Thank you very much.