

On lookout for a spot in global railway industry

TAKING OWNERSHIP:

Malaysia must go beyond procurement and operation of foreign-made railway systems

IN recent months, my job has taken me to two of the world's greatest railway nations; Canada, home of the world's top train company, and South Korea, which in recent decades has leapt to the forefront of global heavy industry.

Vastly different in terms of language, culture and history, these two knowledge-based economies provide striking examples of two countries that have developed heavy industry beyond traditional industrialisation towards high-technology market leadership with companies like Bombardier Transportation, Samsung Heavy Industries and Hyundai-Rotem leading the way.

So which path is right for Malaysia?

Despite the recent and impressive successes of our own champion Scomi Rail in Brazil and India, the country's nascent railway industry has a long way to go.

While our aerospace industry has grown on an average 11 per cent a year since 1997, when the Malaysian Industry-Government Group for High Technology (Might) launched the National Aerospace Blueprint, railway industries have garnered less attention.

The days outside the limelight are clearly over. With somewhere between RM50 billion and RM70 billion in public infrastructure spending expected to be poured into Malaysia's railway system in



The first phase of **Scomi's Mumbai Monorail project** will begin operation in January next year. Scomi Rail has had **impressive successes** in Brazil and India. **Bernama pic**

the next 20 years, the industry has become the talk of the town.

Might has been mandated to help the government of Malaysia leverage these upcoming projects — the biggest public infrastructure investments ever made in Malaysia — to help create a spot for Malaysia in the global railway marketplace.

Already, it has become clear that to do so, we as a country must go beyond procurement, ownership and operation of foreign-made railway systems.

In Canada, Might inked an agreement with Thales Canada, the company's global railway centre of excellence that will see the development

of a comprehensive public-private training programme backed by global expertise and supported by local infrastructure.

In Korea, we have continued to speak with train-maker Hyundai-

Rotem about investing in Malaysia and next month, will travel to the globe's most heavily railway tracked region — Europe.

As in the past, we will continue to support the efforts of dedicated investment promotion authorities to build the case before high-technology companies for Malaysia.

In Spain, we look forward to meeting train-makers Vossloh and CAF. In France, we look forward to advancing discussions on human capital development with Thales.

But as important as these efforts to attract and develop technological and industrial capability in railway industries

are, there is a second international import of equal importance.

We, as a country, must import the understanding to manage the procurement, maintenance and own-

ership of these vital public assets to the highest international standard. There is no room for compromise on this goal.

Our procurement process must be fair, open and transparent. It must privilege the best product with the best package at the best price.

It must take into account the long-term strategic imperatives of our industrial development plan for railway industries and at the same time account for the practical considerations of maintenance and operation costs. Most of all, it must not be bogged down in short-term political considerations.

This is no small task, but with Asia expected to lead global growth in railway industries in the coming decades, the opportunity is too big to miss. Preparations are under way at Might.

Prime Minister Datuk Seri Najib Razak is expected to launch our National Rail Roadmap before the end of the year. A draft version was shared with industry players and government officials yesterday.

Our offset team continues to provide strategic counsel as the contracted counter-trade and offset manager of MRT Corporation and human capital development initiatives continue to show promise.

But this goes well beyond Might. To move forward as an industry and as a nation, we need to work together. We need continued participation of foreign equipment makers in our industrial cooperation programmes. We need the highest level of transparency and efficiency at the procurement level.

And, most of all, we need the commitment of government and industry to work hand-in-hand with global railway businesses to develop Malaysia's own spot in the sun on the track to global railway industry participation.



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