



**SPAD chairman Syed Hamid says there will be feasibility studies on the rail projects**

# RM160b for rail lines up to 2020

**SPAD says that amount will be pumped into future rail projects over next decade**

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PUTRAJAYA: The Land Public Transport Commission (SPAD) estimates that a whopping RM160 billion worth of investments will be pumped into future rail projects over the next decade, said chair-

man Tan Sri Syed Hamid Albar. "There will be feasibility studies on the projects. Those figures are estimates. You can't ask me for the breakdown ... how much is the construction cost and rolling stock ... That is macro estimation," he told the media yesterday on the sidelines of the public forum entitled *Future*

*Rail 2030: National Rail Industry Development Plan*, jointly organised by SPAD and the Malaysian Industry-Government Group for High Technology (Might).

The event was held for stakeholders to discuss the preliminary results of joint studies undertaken by Might and SPAD on rail industry

development until year 2020.

"If you calculate the sums of the rail industry, the type of products ... The figure [of RM160 billion] is not unimaginable.

"At the end of the day, whether or not that amount will be spent depends on the feasibility study;

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## Country's railways going through a 'renaissance'

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whether we can create the ridership that will bring back the type of investment we're putting in.

"Investment cost must be related to the revenue... from the investment," he said, adding that the government has invested some RM50 billion in rail transport since the 1990s.

Hamid said the sum of RM160 billion includes current ongoing rail projects, and added that studies on a high speed rail (HSR) and rapid transit system (RTS) are still ongoing.

He said the current rail projects are the Kelana Jaya and Ampang light rail transit extension, valued at not more than RM7 billion and the Klang Valley Mass Rapid Transit (MRT), which costs RM50 billion.

He could not confirm that the RM160 billion includes the HSR, which was proposed to link the

heart of Kuala Lumpur with Singapore, because the commercial and technical studies on the project will only be completed by year-end.

Hamid said since the cost of the HSR project can only be ascertained upon the completion of the studies, the government has yet to decide on whether or not to pursue the capital-intensive project.

*The Edge Financial Daily* recently reported that three of the six pre-qualified companies have withdrawn from the RM1.6 billion train supply tender for the Sungai Buloh-Kajang stretch.

"It is not unusual for companies to pull out their bids," said Hamid, but did not elaborate, saying SPAD is not the right party to comment on the matter.

He said that studies are ongoing on the MRT2 circle line from Sentul Timur to Ampang and MRT3 north-south line from Selayang to Putrajaya.

The event yesterday was attended by 60 industry stakeholders including from KTM Bhd, Syarikat Prasarana Negara Bhd and a number of small and medium enterprises.

The road map is a joint initiative that began in August 2011 to strengthen and develop the domestic railway industry for future growth.

SPAD CEO Mohamad Nur Kamal said the country's railway industry is going through a "renaissance" and it needs to address the insufficient infrastructure, policy weakness and institutional framework.

"We want our future investments to yield better results than in the past. So whether it is RM100 billion or RM160 billion, the question is what do you get out of the investment. Is it just the systems or catalyst to build the industry? The road map is about getting the most out

of our investments," he said.

He cited the Scomi group as one of the few Malaysian companies that have captured foreign rail markets.

Might president and CEO Mohd Yusoff Sulaiman said Malaysia's fragmented rail industry requires a coordinated approach to policy, regulation and industry development in order to capture a bigger share of the US\$218 billion (RM688.88 billion) global rail market.

He said the Asia-Pacific is expected to lead market growth in rail industries and the global market equipment is expected to climb from about US\$218 billion in 2009 to about US\$237 billion by 2016, citing the Association of the European Rail Industry.

Might is an agency in the Prime Minister's Department responsible for advancing national competency in high technology industries.