

Local rail players to reap RM3.5b from KVMRT offset programme

by FARAH ADILLA

THE offset programme under the Klang Valley Mass Rapid Transit (KVMRT) project is expected to contribute RM3.53 billion to the local economy, benefitting more than 50 local companies.

Work on the line began in July 2011 and is expected to be completed by 2017.

Mass Rapid Transit Corp Sdn Bhd (MRT Corp) CEO Datuk Azhar Abdul Hamid (*picture*) said local rail players will benefit in seven main areas including design and development (RM218 million), human capital development (RM329 million) and global market access (RM509 million).

The benefits will also come from local work packages (RM913 million), transfer of technology (RM667 million), investment (RM70 million), and parts and component manufacturing (RM482 million).

"The KVMRT offset programme has generated 32 projects...Some of the projects have already begun with 30 MRT Corp staff recruited for a structured training programme with Siemens in various disciplines of rail systems and technology for a period of between 36 and 60 months in Malaysia, Austria and Germany.

"The benefit of the offset programme is not merely Malaysia being the consumer of technology, but also to develop its own technology in the railway industry moving forward," he told a press conference

after the KVMRT offset programme signing ceremony in Kuala Lumpur yesterday.

The offset programme, defined by some as an economic compensation package, is a unique endeavour

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designed to boost local industrial and technological developments and at the same time provide jobs to local companies with the right skills and expertise.

The delay of the signing of the KVMRT offset programme had earlier raised concerns among industry players who claimed that the delay may see local companies missing out on the action when the main contractors begin to subcontract work under their care.

In an interview with *The Malaysian Reserve* (TMR) in August, Azhar said the delay was due to the six work package contractors (WPCs) being subjected to a lot of reviews and processes before the actual agreement was signed.

"We are accelerating a lot of things for this project. If we are going to follow everything with a signature on the dotted line, we will not be where we are today.

"Contractually, my focus is on the development itself. I am not saying the offset agreement is not important, they are. But as long as I can move everything in tandem, I leave the formalities to the people who are responsible to undertake it, in this case the Malaysian Industry-Government Group for High Technology's," he told TMR in August.

MRT Corp yesterday signed the KVMRT offset agreements with six WPCs — Meidensha-Meiden Malaysia Sdn Bhd joint venture (JV), Bombardier (M) Sdn Bhd, Siemens Malaysia Sdn Bhd-Siemens AG-SMH Rail Sdn Bhd JV, MMC-Gamuda KVMRT (T) Sdn Bhd, Affiliated Computer Service Solutions France SAS and Mitsubishi Heavy Industries Ltd.



Pic by Ismail Che Rus

(From left) MMC-Gamuda KVMRT director Datuk Ir Paul Ha, Bombardier APAC System VP David Allen, Azhar, Affiliated Computer Service Solutions APAC senior VP Eric Jean and Siemens Malaysia CEO Prakash Chandran at the signing of the KVMRT offset agreements in Kuala Lumpur