

# Electrifying KTMB

It plans to invest RM1bil in 20 more electric coaches as they are popular and profitable

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**KUALA LUMPUR:** KTM Bhd (KTMB) plans to acquire 20 sets of electric coaches at an estimated cost of RM1bil to support its electric train services (ETS) connecting Padang Besar and Johor Baru.

President Dr Aminuddin Adnan said the move would change intercity travelling in the country as well as turn around the loss-making national railway company.

Since the introduction of the ETS about 1½ years ago, KTMB has been able to provide premium standard of commuting that was reliable, comfortable and fast.

"The Government has allowed KTMB to charge a higher fare for the ETS service. I think the people are willing to pay more as long as the service is good and the ETS has received overwhelming response

from the public," he told *StarBiz*.

Currently, the ETS only operates the Ipoh-Kuala Lumpur-Seremban route.

Once the entire double track project is completed in 2016, KTMB would be to offer more destinations.

Aminuddin said intercity travel between Kuala Lumpur and Butterworth could be shortened to 3½ hours from the current six to seven hours, once the ETS is ready for that route.

"I think it is reasonable to have fully-electrified train services from Padang Besar to Johor Baru and the Government is supportive of this. The Government has agreed, in principle, for the purchase of additional electric coaches.

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tional cost and faster turnaround time, the usage of the ETS should be able generate some profits.

"We will convert the intercity services to ETS in stages. Now we are still using diesel-powered locomotives," he said.

"We have been able to generate RM24mil in revenue using the ETS compared with the shuttle service which only generated RM8mil a year. We have plans to increase the frequency of the ETS which may generate RM20mil more in revenue. The ETS is currently operating on only five sets of electric coaches," he said.

On rail cargo services, Aminuddin said the demand had always been there, but KTMB faced some con-



**Aminuddin:** 'Electric trains have lower operational cost and faster turnaround time the usage of the ETS should be able generate some profits.'

## KTMB bogged down by bureaucracy in the purchase of spare parts

straint on capacity due to the construction of the double-tracking projects.

"Once the double-tracking is completed, the demand for rail cargo services would also go up as there is a lot of advantages compared with road haulage.

"It would reduce road congestions, accidents and lower the Government's diesel subsidy. I hope the Government would support this move via incentives to encourage the use of rail cargo transportation," he said.

The Kuala Lumpur-Ipoh and Kuala Lumpur-Seremban electric double-tracking projects have been completed while the Seremban-Gemas and Ipoh-Padang Besar are 80% and 70% completed respectively.

The Seremban-Gemas stretch is expected to be finished next year while the Ipoh-Padang Besar stretch by the end of 2013.

On other measures to turn the company around, Aminuddin said KTMB should operate like an aviation company where the assets were not purchase but leased out and the airport was managed by another company.

"If the maintenance of our tracks is managed by another entity, KTMB could fully focus on operational excellence and efficiency. It could also be an avenue to create extra income for the Government if the tracks are used by a second or third operator," he said.

Aminuddin was the long process of acquiring spare parts was also affecting KTMB operational efficiency and revenue

"If a train breaks down you will need the spare parts by tomorrow, but because of the purchasing bureaucracy it would take three months before we get the parts. KTMB will lose three months of rev-

enue. Each locomotive on average can generate about RM100,000 per day," he said.

Aminuddin said KTMB's fares (besides the ETS) have not been revised for the last 10 years.

"We also cannot push for an increase the fares unless the services are improved. If we increased them now, it would create a public outcry," he said. KTMB is undergoing a two-year corporate restructuring programme.

"We have recommended the names of the consultants to the Government and we are now waiting for approval," he said.

The cost-saving measures as well as the restructure of KTMB loan would also include the restructure plan.

"Our loan currently stands at about RM1bil." he said.