



Persatuan Pengguna Pulau Pinang Consumers Association of Penang

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Press Statement

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CAP: Adopt Suitable Model for KTMB and Improve Services

Consumers' Association of Penang (CAP) hopes that KTMB will improve their train services so that Malaysians can be assured of a safe, reliable and affordable mode of public transport for both intercity as well as daily commuting purposes. This will help more people to shift away from the existing mode of transport which is over-dependent on private cars and also reduce the use of our deadly roads.

The first railway lines were constructed to transport natural resources to sea ports for export starting in 1885 and were under different companies and states. By the 1930s the rail tracks on the west and east coast were laid and connecting Singapore and Thailand. By 1948 the British streamlined the rail services under the Malayan Railway Administration. Later in 1991 it came to be known as Keretapi Tanah Melayu (KTMB) working as a GLC. In 1997 a privatisation attempt failed and the government took control.

KTMB manages the operations and comes directly under the Ministry of Transport, while the assets such as tracks and stations are owned by Railway Assets Corporation under the Ministry of Finance. This model is similar to that practised in the UK where the operator is a private company and the ownership is under a public company. KTMB and MoF on the other hand are both government entities. KTMB has to pay for leasing the assets. MoT is free to lease the lines to other train and cargo operators, thus increasing the competition.

KTM Komuter services in the Klang valley and in the northern states began in 1991. The Komuter service in the Klang Valley was electrified in 1995. The intercity services in the west coast were suspended for the double tracking and electrification project in the mid-nineties and Electric Train Service (ETS) was introduced in stages from Padang Besar to Gemas from 2015 to 2017.

In the interim period when train services were suspended, people resorted to express bus services and private cars with the opening up of the North-South Expressway.

Since transportation of goods is a very competitive business, especially for short hauls within 300Km, road transport is more popular for general goods. That is why more transport vehicles are plying our roadways, thus increasing the congestion. Another reason was the increase in freight and passenger fares in 2015 which resulted in people and cargo migrating to other modes of transport which led to a decline in profits of KTMB.

On the other hand, congestion on our roadways has resulted in horrific accidents and people have become increasingly fearful of road travel. Therefore, they have started to migrate to ETS as they find it

to be the better choice for travel, especially during festive seasons. In fact the ETS should be extended to Penang Island where there is a large potential for passenger demand.

KTMB has made many blunders and one of them is not having an integrated ticketing system as done by Rapid KL. Online ticketing for ETS trains was also a major issue until recently. Shabby coaches of Komuter trains, not keeping to schedules and derailments were frequent grouses of commuters.

KTMB is facing a high level of competition from other train operators as well as other forms of transport. This will continue to worsen as the MRT and LRT lines are put into service in the Klang Valley.

KTMB has many revenue streams through its subsidiaries and partnerships, some of which have failed or no longer in operation while others have done well. The high administrative and operating cost and taxes is keeping KTMB in the red. According to the latest Audit General's Report KTMB has an accumulated loss of RM2.83 billion as of December 2018 and has been receiving financial assistance of RM1.46 billion from MoF since 1992 till July this year.

KTMB is the oldest and largest railroad operator in the Peninsular and we hope that they will provide commuter and intercity services that are safe, reliable, affordable and convenient. In order for more people to migrate to KTM services we urge the authorities to take the following measures:-

1. Do a thorough study on the best model to adopt and manage KTMB assets and operations;
2. Improve train schedules and increase the frequency of trips;
3. Improve maintenance of coaches;
4. Provide feeder buses at KTM stations to encourage more people to use trains;
5. Extend ETS to Penang Island;
6. Provide an integrated ticketing system for seamless travel.

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