

Emrail chief all fired up by electric rail project

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By LEONG SHEN-LI

THE link between an illustrious career in diplomacy and railway-building may not be immediately apparent.

Yet, it is one of the last international meetings he attended as Foreign Ministry secretary-general which Tan Sri Ahmad Kamil Jaafar attributes as the starting point of his involvement in railways.

"During the Asia-Europe Meeting in Bangkok in 1996, Prime Minister Datuk Seri Dr Mahathir Mohamad introduced the idea of the Trans-Asian Railway which will link Asia to Europe," Ahmad Kamil, who is also the Special Envoy to the Prime Minister, recalls.

One of the crucial links of the network will be the construction of a direct rail link between Singapore and Kunming in China, which will involve Malaysia directly.

"It would have been a shame if no Malaysian company could carry out an idea which came from a Malaysian leader," he said.

All fired up by the concept, Ahmad Kamil became part of a bid to buy over the former Renong subsidiary Time Salam Engineering Sdn Bhd, which dealt in signalling and some track laying work.

Renamed Emrail Sdn Bhd in March last year, Ahmad Kamil, besides being a shareholder, was appointed its chairman. Two other companies make up the rest of the shareholding.

Late last year, Emrail secured the track-laying and signalling portions of the RM4.2bil double-tracking and electrification of the West Coast trunk line between

Rawang and Ipoh.

Worth over RM650mil, the two jobs combined are the company's biggest so far.

The entire project, which will pave the way for frequent and fast electric trains to run between Kuala Lumpur and Ipoh, is being managed by a consortium made up of DRB-Hicom Bhd, which will oversee track-laying and civil works, and the Japanese conglomerate Mitsui, which handle the electrification, systems and signalling portions of the project.

"The Rawang-Ipoh job is critical for us because it will be from this project that Emrail will earn its standing and recognition as a credible Malaysian track building company," Ahmad Kamil said.

Understandably, he stressed strongly on the point that Emrail was the first and only Malaysian track laying company.

"In the past, track laying has always been carried out by foreign companies under joint ventures with Malaysian companies. The actual laying been done by foreigners," he explained.

With the obvious lack of local expertise, Emrail has had to look to expatriates for the skills required, be they track design, or operating machinery which have never been used in Malaysia before.

At the moment, 35 of the company's 85 staff are expatriates, mostly from India and Pakistan.

"Give us a year or two and Malaysians should be doing most of the work, except maybe in specific and specialised areas," he said.

As for human resource development, the Rawang-Ipoh project is

also critical as the project will provide the opportunities to Malaysians to acquire the necessary skills to make Emrail the premier track layer not only in Malaysia but also the region.

"Because of these, I think profits from the Rawang-Ipoh project should not be the paramount concern. Factors like Emrail earning a name for itself and the provision of opportunities for Malaysians to acquire new skills would be equally, if not more, important," he says.

He said the future for Emrail was nothing short of spectacular.

"Far from being a sunset industry, the railway sector in Malaysia is in fact expanding greatly," he said, firmly believing that rail transportation, whether for freight or passengers, would be "the mode of transport of the future."

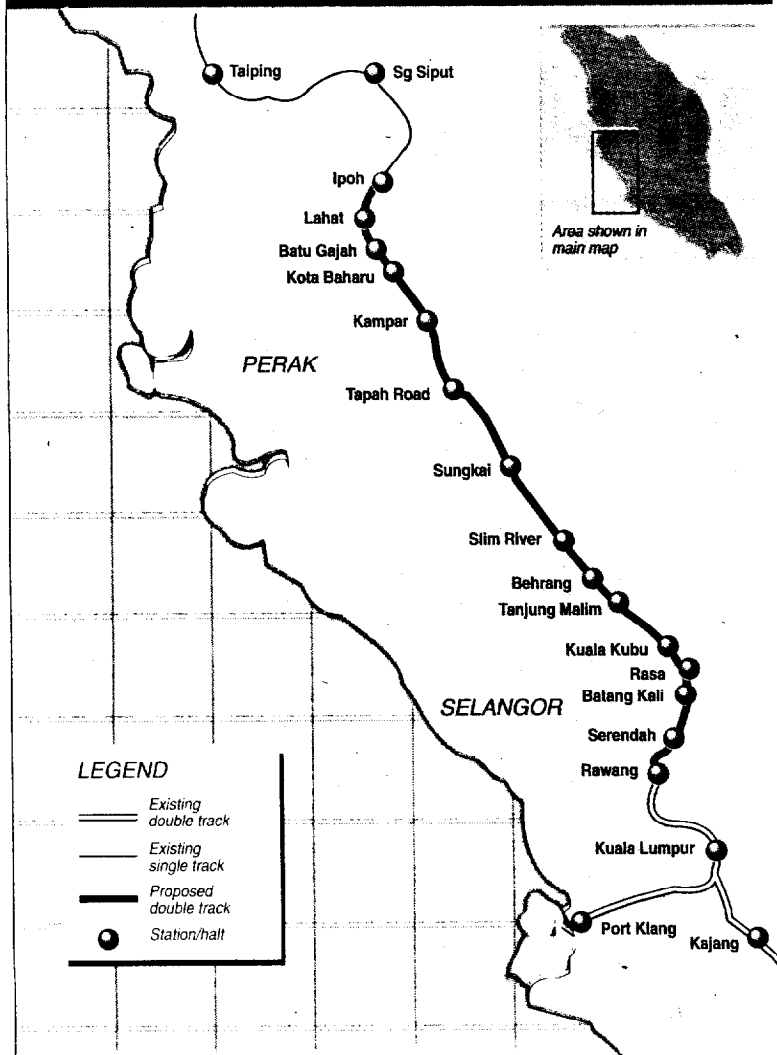
Since the early 1990s, Malaysia's railway sector has seen unprecedented development, with the introduction of electric urban commuter trains, better freight services and track expansion to major ports.

In the Klang Valley, urban transit systems in the form of light rail and monorail have been developed, to varying degrees of success.

As an indicator of things to come, the government has just announced that double tracking and electrification will be extended to Padang Besar on the Malaysian-Thai border in the north, and to Johor Baru in the south.

This will essentially make the entire west-coast trunk line, which forms part of the Singapore-Kunming line, capable of handling fast trains.

RAWANG-IPOH DOUBLE TRACKING & ELECTRIFICATION PROJECT



Furthermore, he believes that "it will only be natural" for the government to think about upgrading the East Coast line once the Padang Besar-Johor Baru main line is double-tracked and electrified.

"We will certainly be talking to the government about these extensions," Ahmad Kamil said.

Emrail will not be limiting itself to track laying, and will go into handling rolling stock (locomotives, wagons and coaches) maintenance as well as signalling.

"We have a strategic partnership with the Australian company Union Switch and Signal Inc which will allow us to go into signalling, including manufacturing equipment in the near future," he said.

Emrail has been chosen to provide the signalling for the Kuala Lumpur monorail system which is expected to begin commercial operations in 2002.

In order to play a major role in realising Dr Mahathir's dream for creating the Trans-Asian Railway, and to enable Emrail to expand further afield, Ahmad Kamil said the company would have to move beyond the Malaysian boundaries.

That means making it a credible player in the regional market to be able to compete with international players.

He is confident that by virtue of being from the region, Emrail will have some advantages over its competitors.

"I agree international companies may have the technical advantage, but when we move into the political arena, I think our advantage will become quite obvious," he said.

His years in Wisma Putra after all, have made him many friends, both within Malaysia and the region. Most of them are in decision making positions, a situation which he described as "helpful."

"This is what business is all about," he said when asked about utilising such relationships to the benefit of Emrail.

He nevertheless disagrees with the suggestion that his close relationship with the powers-that-be in Malaysia allowed Emrail to get the Rawang-Ipoh track-laying job.

"Emrail's selection was based on its potential as well as the fact that it is the first Malaysian company to go into track laying. I believe support of the government is important for a venture like this where a local company moves into a new area such as track laying.

"My main task now, above everything else, is to make good this support and confidence," he said.