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# ECRL — a game changer for Malaysia

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*The project sets the tone for an economic spin-off and positive social impact for the east coast states*

PRIME Minister Datuk Seri Mohd Najib Razak yesterday described the establishment of the East Coast Rail Link (ECRL) as a "game changer" and "mindset changer" for Malaysia as it will significantly cut travel time to and from the east coast of the peninsula.

He said the rail journey from the Integrated Transport Terminal (ITT) in Gombak, Selangor, to Kota Baru, Kelantan, was expected to be less than four hours compared to the average eight hours and even up to 12 hours or more, during the festive seasons, thus making the ECRL a comfortable alternative transportation medium once completed.

"The ECRL project also sets the tone for an economic spin-off and positive social impact for the east coast states. It will be a catalyst for economic equality between the west and east coast as it will stimulate investment, spur commercial activities, create ample jobs, facilitate quality education and boost tourism in Pahang, Terengganu and Kelantan," Najib said this in his speech during the ECRL groundbreaking ceremony held at the ECRL KotaSas Central Station Project site in Kuantan



Najib (centre) together with Wang (fourth from left), Minister in the Prime Minister's Department Datuk Seri Abdul Rahman Dahlan (right), Finance Minister II Datuk Seri Johari Abdul Ghani (second from right) and Liow viewing a replica of the ECRL route after completing the iconic project groundbreaking ceremony yesterday.

yesterday. It was witnessed by, among others, China State Council Vice Premier Wang Yang, China Communications Construction Co Ltd (CCCC) ED and chairman Liu Qiao, and Malaysia Rail Link Sdn Bhd (MRL) chairman Tan Sri Dr Mohd Irwan Serigar Abdullah.

Also present were Transport Minister Datuk Seri Liow Tiong Lai and the three east coast states' Mentri Besar, Datuk Seri Adnan Yaakob (Pahang), Datuk Seri Ahmad Razif Abdul Rahman (Terengganu) and Datuk Ahmad Yakob (Kelantan).

Najib noted that the ECRL, which would become the nation's longest rail project with a total of 688km of rail

link, costing RM55 billion to be built by the CCCC, one of the leading transportation infrastructure groups and named as the third top international contractor in the world with MRL tasked as the project owner.

Malaysia also received attractive financing terms for the ECRL, with 85% of the project financing including a soft loan of 3.25% from China Exim Bank, with the moratorium period of seven years, while the balance 15% to be funded through a sukuk programme managed by local investment banks, he added.

Najib also stressed that the government had mapped out the interest of Malaysians in the project, including coming to an agreement with China

that at least 30% of Malaysian contractors to be involved in this high-impact project, while the ECRL industrial training programme (that was launched on June 14, would provide Malaysian students with the necessary skills to work with the ECRL.

"Therefore, I urge the local contractors with capabilities and know-how to seize this opportunity and participate in this momentous project that will stimulate economic growth for the East Coast Economic Region (ECER).

"We plan to incorporate 3,600 Malaysian students under this training programme where they will be trained according to the syllabus jointly developed by two

prominent Chinese universities and nine institutions of higher learning in Malaysia.

"Students who complete the training will automatically be offered jobs by MRL, the project owner and CCCC as the main contractor or their sub-contractors," he said.

Najib said the ECRL alignment would also promote the development of industrial areas and the growing trend of Transit Oriented Development that would nurture compact residential districts and commercial centres along the rail stations, hence benefitting the major towns designated as main stations for the project.

For example, he said, the ECRL will link the key economic industrial areas with the ECER such as the Malaysia-China Kuantan Industrial Park and Gambang Halal Park in Pahang, Kertih Biopolymer Park (Terengganu) and Tok Bali Integrated Fisheries Park (Kelantan).

"I would like to emphasise that the ECRL is rakyat-centric. The government has forecasted the gross domestic product for the three east coast states to grow by 1.5% at the current rate with the implementation of this project.

"The viability of the ECRL is undisputed as it is estimated that 5.4 million passengers and 53 million tonnes of cargo will use the service annually by year 2030 as the primary transport between the east coast and west coast.

"The revenue from the operation of the ECRL is projected to be obtained through a transportation ratio of 30% passengers and 70% freight," he said.

The prime minister also described the development of the ECRL as timely with the ongoing expansion of Kuantan Port into a deep-water terminal that would soon be able to cater to larger vessels up to 200,000 deadweight tonnage or 18,000 twenty-foot equivalent unit container ships.

Despite lots of advantages to be gained from this mega project, Najib regretted that some parties were trying to derail the ECRL, but gave his assurance that the government would ensure that the ECRL would be completed successfully in 2024, as promised.

"The federal leadership is also grateful to the state governments of Kelantan, Terengganu, Pahang and Selangor for their full cooperation and support to this project, particularly in matters of land acquisition which is pertinent to the construction of the new rail link.

"The journey has begun and the ECRL, once completed, will take us quite some distance towards attaining our national aspirations. Therefore, I seek the mutual support, cooperation, knowledge and expertise from all ECRL stakeholders to ensure a smooth and successful delivery of this rail project," he said. — *Bernama*