

KTM (and its chairman) must be decisive

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Tiger believes in taking decisive action when it needs to, and feels that KTM's new chairman should be ready to do so as well. He must be willing to make the tough calls, if the national rail operator is to stand any chance of getting back on track

It has been a while since the jungle bordered the railway tracks and tigers had to deal with the rumbling of trains travelling up and down the tracks taking people across the length of the country.

This cat of course is too young to remember the golden age of the Malayan railway, when it was the primary mode of transportation for both people and goods travelling across the peninsula. But there was a time when the railway was the backbone of travel in these parts.

Unfortunately those days are long gone, faded away in the face of a massive prioritising of road travel. Large scale highway projects now criss-cross the country, in some areas cutting right through what used to be Tiger's favourite roaming grounds.

An ever increasing airline industry has also contributed to the decline of the railroad, as cheap and fast travel is unsurprisingly preferred over the slower (and for a large part of their recent history, unpredictable) train services.

But its decline has not been solely brought about by external pressures, Keretapi Tanah Melayu (KTM) must assume a lot of responsibility for how far it lags behind to the various other modes of transportation.

A succession of presidents and chairmen have come through often bringing with them solid resumes but have failed, because they have either lacked the necessary resolve to make hard decisions or have not been backed to the hilt by the powers that be in their efforts to turn the company around.

Incorporated in the early 90s, KTM showed a very small period of profitability before plunging into losses, which were compounded by a questionable privatisation attempt and the Asian Financial Crisis.

As at end 2012, KTM's last available financials show that over the years its losses have accumulated to over RM900 million. In 2012, KTM saw losses of more than RM200 million on the back of just RM400 million.

Now with a new chairman at the helm, and the northern portion of the massive electrified double tracking project up to Padang Besar almost complete – KTM is saying that now is the time for revival and that this is the best opportunity for a turnaround it has had for some time.

On one paw, double tracking does offer an opportunity for speed and frequency. But on the other it is abundantly clear that like so many others in Malaysia this potentially RM36 billion mega project appears to have been planned in a vacuum.

Simply put, the tracks are almost ready but KTM does not have sufficient rolling stock (things such as locomotives, wagons and coaches) to run on it.

To fully capitalise on the double tracking, KTM needs to improve and increase rolling stock for both its passenger and cargo services. The latter especially needs substantial improvements if it is to grow its market share as hoped.

According to KTM's new chairman Nawawi Ahmad, it is estimated that KTM requires a further 30 train sets, which will cost an estimated RM1.5 billion. Such an allocation would have to come from the government, a prospect that even Nawawi sees as unlikely.

So is this another false start? Tiger has pondered this question, and feels it will depend on two important factors.

Firstly the relationship between KTM and the government. Given that it is almost entirely owned by the Ministry of Finance, it is important that the national rail operator is given the right tools to help it recover.

Plans like the proposed High Speed Rail link to Singapore stand to divert ridership away from KTM (which will be running on the already built double tracks). Furthermore at a potential cost of RM40 billion, it will take away much needed funds from KTM.

A fraction of that channelled to KTM will be able to give it the necessary rolling stock it requires to run an efficient service across the peninsula.

The rest can be used to repair other portions of KTM's tracks such as the East Coast lines which are in dire need of refurbishment – rather than to spend on a flashy project with questionable benefits like the HSR.

Tiger also thinks the other key factor is to get KTM's own house in order – a task that Nawawi must lead.

Just in this past week the Railwaymen's Union of Malaya (RUM), publically called for the current KTM president Elias Kadir to be removed from his post.

RUM which represents the non-executive staff of KTM have been on the hunt for Elias for a while now. It claims that the president has done nothing concrete in his almost two year tenure.

With the new chairman in place, and following his launching of a so called new business plan, RUM sees a chance to pounce.

Far from just talk, the union has sent a memorandum to the Prime Minister calling on him in his role as Finance Minister to send Elias packing. They also plan to hold a picket at KTM's headquarters next month in conjunction with the president's second anniversary on the job.

While the extent of their influence may be questionable, the fact that they represent 3600 KTM staff means that they cannot be simply ignored as mere irritation.

So far chairman Nawawi has refused to take sides, calling the matter an internal family matter. He has made the effort to commend the president on many of his initiatives – and it appears that the two men get along well.

He has also said that he has met with the unions who have promised him their support and that they will work with him and his team to improve KTM.

But RUM obviously did not get the memo when it called a press conference on the matter just this past Wednesday and reiterated their call for Elias to go – the union is obviously trying to force a reaction.

Tiger's intuition tells her that Nawawi is very keen on maintaining a united front, and doubts that he will be happy by this latest revolt in the ranks. However RUM's side and vocalness puts Nawawi in a tight spot.

Nonetheless, Tiger believes that there can only be one king in every jungle. Surely Nawawi cannot allow a group of employees to keep publicly calling for their boss' removal, without taking a stand.

He must choose if he is going with the union, or standing by Elias – it will be a tough call, but the chairman must make it.

After all, if he is going to steer KTM to success then Nawawi is likely to be in many battles over the coming months and years. Tiger thinks that there is no time like the present for the chairman to start taking decisive action.

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