

**DATO' SRI MOHD NAJIB BIN TUN HAJI ABDUL RAZAK
PERDANA MENTERI MALAYSIA
GRAND BALLROOM, KL HILTON HOTEL KUALA LUMPUR
24/09/2012**

**SIGNING CEREMONY OF THE MEMORANDUM OF ARRANGEMENT (MOA) BETWEEN MINISTRY
OF TRANSPORT MALAYSIA AND CSR ZHUZHOU ELECTRIC LOCOMOTIVE CO. LTD (CSR)**

Yang Berhormat Dato' Seri Kong Cho Ha;
Minister of Transport, Malaysia,

YAB Datuk Seri Dr. Zambri Abdul Kadir;
Chief Minister State of Perak Darul Ridzuan,

YB Dato Seri Idris Jala;
Minister in the Prime Minister's office,

Dato' Long See Wool;
Secretary General, Ministry of Transport, Malaysia,

Mr. Chai Xi;
Ambassador for the Peoples' Republic of China to Malaysia,

Mr. Fu Jianguo;
Vice President CSR Zhuzhou China,

Hadirin yang saya hormati,

Tuan-tuan dan puan-puan,

Assalamualaikum Warahmatullahi Wabarakatuh dan Salam Satu Malaysia.

1. Terlebih dahulu marilah kita bersama-sama memanjatkan rasa syukur ke hadirat Ilahi di atas limpah kurnia dan rahmat-Nya yang membolehkan kita bersama pada petang ini bagi menyaksikan satu lagi detik bersejarah dalam perkembangan industri rel tanah air. Saya amat gembira dengan perkembangan terbaru ini dan saya percaya ia adalah permulaan kepada satu era pembangunan yang amat pesat dalam industri ini yang pastinya akan membawa manfaat yang besar kepada pengguna-pengguna perkhidmatan rel tanah air khususnya, dan kepada ekonomi Malaysia secara amnya.

Distinguished guests, ladies and gentlemen,

2. First and foremost, allow me to take this opportunity to thank the Ministry of Transport for inviting me to witness the signing of the Memorandum of Arrangement (MOA) between The Ministry of Transport, Malaysia and CSR ZELC to set up the CSR Rail Center in Batu Gajah, Perak, Malaysia. I am delighted that out of all other countries in this region, Malaysia has been chosen as the first CSR Rail Center outside China, and I believe this reflects the confidence that investors such as CSR ZELC have in the strength and stability of our economy.

3. Over and above this, of course there is also the historical element that strongly binds Malaysia and China and this history underscores the significance of the signing we are witnessing today. Malaysia, as we all may recall, was the first nation in South East Asia to establish diplomatic ties with China back in 1974. Since then the relationship between our nations has endured and flourished, with both China and Malaysia reaping the benefits of ever-closer co-operation. Malaysia has always welcomed the strong and robust growth of China over the last decade, believing firmly that we can complement each other in many

areas. The people of both nations have their own unique skills, traits and cultures, but we are united by a shared sense of national purpose and an unshakeable belief in the power of enterprise and opportunity. Both nations have continuously worked hard to intensify all the bilateral engagements to meet the challenges of the ever-changing global business environment.

4. Today, China is Malaysia's biggest trading partner globally and we in turn are China's biggest trading partner within ASEAN. This is a good sign but we can do even better if our nations are able to further enhance the relationship. A fine example of a move towards this end was the momentous event of July 2010, when the Government of Malaysia signed an agreement with CSR-ZELC to procure 38 sets of 6 car trains to increase the capacity and efficiency of the KTM Komuter services. I have been informed that CSR-ZELC has successfully delivered all the trains and these trains have met with our expectations in terms of quality and standards. I have also been informed that to date 34 six car trains have been put into revenue operations and this has enhanced frequencies, reliability, comfort level, safety and ultimately the rail ridership in the Klang Valley. As a result, the initiative taken by Ministry of Transport under the Government Transformation Program to improve the public transportation system in the Klang Valley has borne fruit and daily users of the Komuter service have experienced tangible improvements.

5. It is therefore clear that the collaboration between our Ministry of Transport and CSR ZELC has been a successful partnership, and I believe the CSR Rail Center will further bring benefits to the country. I am certain that not only will the Rail Center become the impetus to enhance the development in Batu Gajah, but it will also become the catalyst for the growth of industries for railway technology in Malaysia. I am hopeful that it will be a pivotal nerve center in providing the technical knowhow and transfer of technology to Malaysians working in the center, while also generating jobs and business opportunities for the local community. We expect positive spill-overs from the establishment of this center, with support businesses to the rail industry from Perak and other parts of the country expected to reap benefits by being part of the center's supply chain and providing the needed back up to the CSR Rail Center.

Ladies and Gentlemen,

6. Over and above these benefits within our borders, I believe that the establishment of this Center will further strengthen our position as a major rail industry player which will then allow us to look for opportunities abroad. Indeed there is still much room for growth and expansion in the largely untapped rail industry in South East Asia and beyond, and there is no reason why Malaysia together with our capable partners cannot explore those opportunities.

7. In ten years, it is anticipated that there will be a demand for another 250 unit of rail cars and locomotives in Malaysia alone and the demand from ASEAN and the Middle East is expected to touch 2,900 units of new trains. This is a massive market. Apart from this, maintenance, repair and overhaul (MRO) of trains is yet another opportunity waiting to be tapped as it is estimated that in five years approximately 1,350 trains will require MRO services. It is thus very timely for Malaysia to have this Rail Center set up by CSR and the signing of the MOA today marks another milestone in Malaysia's fast growing rail industry. Just last week, the world's biggest rail industry convention -Innotrans- was held in Berlin, Germany, and I have been informed that major rail players there have described Malaysia as the new rail industry hot-spot, growing far more robustly than any other country in South East Asia, with all the on-going projects that we have, namely, the construction of the MRT, the LRT extensions and new line plans, as well as the government's study of the possibility of High Speed Rail. I believe that this bodes well for Malaysia in terms of FDI potential and I hope more companies follow the example of CSR ZELC in making a long term commitment to the country.

8. On the part of the government, we will always welcome and support initiatives such as this, with the confidence that it will lead to bigger and better collaborations in times to come. I hope that everything will go smoothly in the establishment of CSR's Rail Center in Batu Gajah and I hope that it will be fully operational in the shortest possible time. Last but not least, I would like to take this opportunity again to thank the Ministry of Transport and CSR for inviting me to witness this significant event, and I would like to conclude my remarks by wishing both parties all the very best and every success in this

collaboration.

I thank you.

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