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# HSR plans still on track

THE cancellation of the KL-Singapore HSR (High-Speed Rail) project has garnered much attention, including in the media. I would like to offer some perspectives on the thinking that underpinned the decisions that were made regarding this matter.

It is a well established fact that the economies of Malaysia and Singapore share complex competition and interdependencies. Malaysia had early on recognised that closer integration of the two capital cities, along with the dynamic southern region of the country, would accelerate investments and industrial development.

Indeed, various studies estimated that the economic benefits of the KL-Singapore HSR are much higher than the four HSR lines planned in Thailand.

It is true that the Malaysian government made numerous concessions to win Singapore's consent. However, instead of facilitating the building of a sovereign railway up to the international border that complied with an agreed HSR standard, as commonly done in cross-border HSRs globally, Singapore insisted that the line be done jointly, with both sides having

equal say. This is hardly equitable considering the amount of investment Malaysia would have to bear, given that almost 96% of the 350km of tracks will be on our side of the border.

As such, the current government prioritised the country's long-term sovereign interest by cancelling the bilateral agreement.

If the KL-Singapore HSR had been built under such terms, Malaysia would not have been able to expand the HSR to other parts of the country to enlarge its economic impact. We would have been hamstrung, after spending billions of dollars, from leveraging this railway to deliver much-needed economic development to other parts of Malaysia.

It should also be noted that during the bilateral negotiations before the cancellation of the agreement, other countries as well as certain international consortia had consistently and on numerous occasions advised the Malaysian government to abandon the experimental project structure agreed upon with Singapore. As it turns out, this was sensible advice.

Nevertheless, the latest developments do not mean that Malaysia

has abandoned the HSR concept. Indeed, the government is actively considering alternatives, including a purely domestic line. In this sense, the focus of the project has shifted to developing Malaysia's Southern corridor.

Therefore, the decision to drop the AssetsCo model cannot be attributed to any lack of transparency or rationality on Malaysia's part.

The development of a domestic HSR will continue to employ the highest standards of transparency. The government is committed to an open and transparent tender process for this project.

All Malaysia is doing is prioritising its national interests. The AssetsCo model is not used in any other part of the world because of its severe limitations. Instead, infrastructure and operations have a common standard of interoperability, with each country allowed to maintain their own assets, infrastructure and operations.

Such arrangements have proven sustainable and even successful in other markets, hence there is no good reason why it shouldn't be given a chance to work in Malaysia's case as well.

It has also been argued that by keeping out foreign investments, Malaysia is unduly favouring its local businesses. But terminating AssetsCo in fact widens Malaysia's options in terms of fund-raising and partnerships, both local and international, to build the very best possible HSR for our people.

Seeking a new model will not only give Malaysia flexibility but also create opportunities for international investors and companies.

When it comes to the HSR project, Malaysia, quite simply, is seeking to craft a modus operandi that reflects as well as ensures the best outcomes for the realities and challenges we are currently facing.

The Malaysian government has a clear vision on where it wants to take the HSR forward and how. The on-going studies on the latest iteration's financial as well as economic viability are extremely promising so far.

The HSR, as a project of the utmost national importance for Malaysia, is very much on track.

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