Govt should channel HSR budget into Gemas-JB doubtracking, ETS projects

By Dhashagam Raja Krishnan - January 7, 2021 @ 2:30pm

Malaysia and Singapore both agreed on Jan 1 to terminate the Kuala Lumpur-Singapore High Speed Rail (HSR) project.

KUALA LUMPUR: Local industry players are lamenting over the termination of the KL-Singapore High Speed Rail (HSR) project after the bilateral agreement between Malaysia and Singapore lapsed on Dec 31 last year.

Master Builders Association Malaysia (MBAM) president, Tan Sri Sufri Mohd Zin deemed the termination of the HSR as a "lost opportunity", which has disheartened construction industry players.

"We were hoping that the HSR project between Malaysia and Singapore will pull through.

"Besides our government having to incur financial losses, the cancellation is a 'lost opportunity' for our industry players to work on a high-impact infrastructure project, which has a multiplier effect to revive the economy," he told the New Straits Times.

However, Sufri said the government should strive to mitigate the impact of the project’s cancellation.

"The government should consider channelling the budget for the HSR to enhance the ongoing Gemas-Johor Baru Electrified Double-Tracking Project and upgrade Keretapi Tanah Melayu Bhd's (KTMB) electric train services (ETS) from Padang Besar to Gemas.

"In doing so, we can still create some jobs for local construction players without creating any redundancy for domestic transportations," he said.

Echoing Sufri, the Federation of Malaysian Manufacturers (FMM) president Tan Sri Soh Thian Lai said the HSR project could have been a game-changer for Malaysia’s economy. He said a domestic high-speed rail service cannot promise a similar return.

"FMM is a strong supporter of the HSR project as it was to be a boon for the travel sector, especially business travel in Malaysia and Singapore, and also for the construction sector including building material manufacturers."
Although we understand that the HSR is not financially viable without Singapore’s participation given its long return of investment and payback period, FMM is disappointed that both Malaysia and Singapore governments have decided to terminate the project.

“The proposal to develop a truncated high-speed rail service from Kuala Lumpur to Johor Baru without including Singapore will significantly reduce the potential economic benefits,” said Soh.

Although the HSR requires a high project commitment cost, ranging between RM70 billion to RM100 billion, Soh said the spillover effect would be tremendous as the project could provide long-term employment opportunities, particularly skilled jobs for Malaysians.

“Nevertheless, we thank the government for the continued development of several other infrastructure projects, including the East Coast Rail Link (ECRL), which is timely because of the worrying economic malaise.

“We also urge the government to enforce a ‘Love Malaysia, Buy Made-in-Malaysia Products’ directive to boost the consumption of Malaysian-made products and services.

“The directive should impose the requirement for 40 per cent of Malaysian content on all inputs in these construction projects,” he said.

Meanwhile, Malaysian Employers Federation (MEF) executive director, Datuk Shamsuddin Bardan is optimistic that the HSR’s cancellation will not hamper job creation initiatives.

“I am confident that the decision to scrap the HSR was done in the best interest of Malaysia after taking into account its pros and cons.

“But, efforts to generate employment should not come to a standstill now that the project is scrapped.

“The government has established various schemes and rolled out several incentives, such as My Future Jobs, to create 500,000 new jobs and encourage employers to hire new employees.

“The introduction of training grants for professional certification will also encourage employers to send their executives for professional qualification training.”

Shamsuddin said all workers must continuously strive to upgrade and reskill themselves to cater to the demands of the job market and to assure themselves of job security.