

**TALKING POINTS
YAB DATO' SRI MOHD NAJIB TUN ABDUL RAZAK
PRIME MINISTER OF MALAYSIA**

**AT THE
EAST COAST RAIL LINK (ECRL) GROUNDBREAKING CEREMONY**

**9th AUGUST 2017 (WEDNESDAY), 10.00 A.M.
ECRL KOTASAS CENTRAL STATION PROJECT SITE,
BANDAR BARU KUANTAN**

Bismillahirrahmanirrahim

YAB Dato' Sri Dr. Ahmad Zahid Hamidi
Timbalan Perdana Menteri Malaysia;

His Excellency Wang Yong;
Special Envoy of President Xi Jinping,
State Councilor of the People's Republic of China;

YB Menteri-Menteri Kabinet & Timbalan-Timbalan Menteri;

YAB Menteri-Menteri Besar negeri Pahang, Selangor, Terengganu dan Kelantan;

Yang Berbahagia Tan Sri Dr. Ali bin Hamsa;
Ketua Setiausaha Negara;

Yang Berbahagia Tan Sri Dr. Mohd Irwan Serigar bin Abdullah
Ketua Setiausaha Perbendaharaan merangkap Pengerusi Malaysia Rail Link Sdn Bhd;

His Excellency Dr. Huang Huikang;
Ambassador of the People's Republic of China to Malaysia;

Mr. Liu Qitao;
Executive Director and Chairman of China Communications Construction Company Ltd;

Yang Berhormat Ahli-ahli Parlimen dan Dewan Undangan Negeri, Ahli-ahli Majlis Mesyuarat Kerajaan Negeri Pahang;

Pegawai-pegawai kanan Kerajaan
Dif-dif jemputan, wakil-wakil media
Hadirin yang saya hormati sekalian

1. Terlebih dahulu, marilah kita sama-sama memanjatkan kesyukuran kepada Allah SWT, kerana dengan izin dan inayahnya, kita dapat berhimpun dalam satu lagi acara dan detik bersejarah Negara yang melibatkan pengangkutan awam darat.

2. Alhamdulillah, kita telah dapat melihat perubahan yang cukup signifikan dalam lanskap pengangkutan awam darat di negara ini dengan menjadikan penambahbaikannya sebagai prioriti utama salah satu Bidang Keberhasilan Utama Negara. Menyedari bahawa sebelum ini pengangkutan awam darat tidak diberikan focus yang sewajarnya, membuatkan saya terpanggil untuk menjadikannya sebagai agenda utama kerajaan dalam menjamin kesejahteraan rakyat bukan sahaja di kawasan bandar malah turut meliputi kawasan pinggir-pinggir bandar.

3. Detik kebanggaan dan keceriaan sewaktu saya merasmikan laluan MRT Sungai Buloh-Kajang (SBK) pada 17 Julai 2017 lalu masih lagi hangat terasa dan pada hari ini pula kita akan bersama-sama menyaksikan satu lagi lembaran baru sejarah pengangkutan awam darat negara kita dengan berlangsungnya Majlis Pecah Tanah Projek East Coast Rail Link - ECRL (Landasan Keretapi Pantai Timur) hari ini.

Ladies and Gentlemen,

4. First of all let me say how delighted I am to be here this morning for this ground breaking ceremony, which is the beginning of the construction of yet another historic infrastructure project for the benefit of the people of Malaysia. I would like to thank Malaysia Rail Link Sdn Bhd and China Communications Construction Company Ltd for all the work they have put into making this event possible as we finally begin the journey of building the East Coast Rail Link.

5. The East Coast Rail Link or ECRL for short is a high-impact project under the 11th Malaysia Plan that will seamlessly link the Klang Valley with the states of Pahang, Terengganu and Kelantan. The construction of this 688 km rail link is in line with the Government's initiative for an efficient national infrastructure facility as well as to connect townships and upgrade public transport in the rural areas of the east coast.

Ladies and Gentlemen,

6. Since the birth of Malaysia 60 years ago, the east coast states of Peninsular Malaysia have only been connected to the west coast via a network of roads and highways, and small rail lines that were woefully inadequate. Over the years the number of people traversing between the east coast and west kept on growing whilst the development of public transport infrastructure to match this growth did not take place. As a result congestion became a problem and remains so until today, where on festive occasions in particular, the drive on the roads connecting the east coast states to the west coast could take three times longer than usual. At the same time, the lack of efficient transportation limited the amount of goods that could be moved to and from the states, hampering economic activities that are vital the development of the East Coast. It is for this reason that the government decided to build the East Coast Rail Link, as it is a connection that is very much needed by the people and is long overdue. This "infra-rakyat" (people-centric infrastructure) ECRL project has come to fruition thanks to the government-to-government (G2G) negotiations between Malaysia and the People's Republic of China that saw the appointment of the state-owned China Communications Construction Company (CCCC) for the construction of the project at a cost of RM55 billion. Malaysia Rail Link Sdn Bhd, is the special purpose vehicle under the Minister of Finance Incorporated, tasked as the project owner. I must thank the Government of China for working closely with us in realizing this huge project, and in particular I thank President Xi, who has sent his personal envoy, HE Wang Yang to be with us here today.

7. Malaysia received attractive financing terms for the ECRL with an 85 percent of the project financed with soft loan of 3.25 percent from the China Exim Bank, and the balance 15 percent to be funded through a *sukuk* programme managed by local investment banks.

8. The agreed terms of financing for ECRL is similar to that obtained by Jambatan Kedua Sdn Bhd for the construction of the 24 km Jambatan Sultan Abdul Halim Mu'adzam Shah in Pulau Pinang.

9. As I understand it, CCCC as a leading transportation infrastructure group, is the third top international contractor in the world and the largest dredging company in China. Currently ranked 135 out of the top 2,000 public companies in *FORBES Global 2000*, CCCC

is optimistic to complete the construction of the ECRL from Port Klang in Selangor to Pengkalan Kubor in Kelantan within seven years from now.

10. CCCC is of course no stranger to Malaysia as it has through its subsidiary, China Harbour Engineering Company Ltd, played a key role to the smooth construction of the Jambatan Sultan Abdul Halim Mu'adzam Shah which opened in March 2014.

Ladies and Gentlemen,

11. From early on, the Government had mapped out the interest of Malaysians in the ECRL project which is an electrified single track railway line with a double-track formation. We have together with our Chinese counterpart, agreed that Malaysian contractors will be involved in at least 30 percent of this high-impact project.

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

13. Through Malaysia's collaboration with China on this project, the ECRL Industrial Training programme or PLKI was recently launched on 14th June 2017 to provide Malaysian students with the necessary skills to set work on the ECRL.

14. We plan to incorporate 3,600 Malaysian students under this training programme where they will be trained according to syllabus jointly developed by two prominent Chinese universities and 9 institutions of higher learning in Malaysia. Furthermore, students that complete the training would automatically be offered jobs by MRL, the project owner, or CCCC, the main contractor, or their subcontractors.

15. The ECRL is indeed yet another "game changer" and a "mindset changer" for Malaysia as it will significantly cut travel time to and from the east coast of the peninsula. The rail journey from the Integrated Transport Terminal (ITT) Gombak to Kota Bharu is expected to take less than 4 hours as compared to the average 7 hours by road or even 12 hours or more during festive seasons as I mentioned earlier. As such, the ECRL will provide a faster, more comfortable alternative that will substantially reduce the gap between the east coast and west coast of Peninsular Malaysia.

16. With its slogan "Connecting Lives, Accelerating Growth", the ECRL project also sets the tone for an economic spin-off effect and positive social impact for the east coast states. It will be a catalyst for economic equality between the west coast and east coast as it will stimulate investments, spur commercial activities, create ample jobs, facilitate quality education, and boost tourism in the states of Pahang, Terengganu and Kelantan.

17. As Malaysia's longest rail project, the ECRL alignment will also promote the development of industrial areas and the growing trend of Transit Oriented Development (TOD) that nurtures compact residential districts and commercial centres along quality rail stations.

18. Therefore, a host of towns including Bentong, Mentakab, Maran, Kuantan, Cherating, Chukai, Dungun, Kuala Terengganu, Tok Bali and Kota Bharu which are designated as ECRL stations will soon be in for some exciting times.

Ladies and Gentlemen,

19. A key component to the ECRL is that it will complement the integration of various modes of transport as it creates seamless connectivity of passengers and goods to and from the east coast states which has a combined population of 4.4 million.

20. The ECRL will also benefit freight transport because it will link key economic and industrial areas within the ECER such as the Malaysia-China Kuantan Industrial Park, Gambang Halal Park, Kertih Biopolymer Park, and Tok Bali Integrated Fisheries Park, to both Kuantan Port and Port Klang.

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

22. Comparatively, revenue from the operation of the ECRL project is projected to be obtained through a transportation ratio of 30 percent passengers and 70 percent freight.

23. I would like to emphasize once again that the ECRL is *rakyat*-centric, as the Government has forecasted the gross domestic product (GDP) for the three east coast states to grow by 1.5 percent at the current rate with the implementation of this project.

24. What this basically means is that the ECRL will increase income levels and uplift the standard of living in the east coast areas, with the main beneficiaries expected to be the rural and semi-rural population.

25. Moreover, the ongoing expansion of the Kuantan Port into a deep water terminal and major regional shipping hub augurs well for the ECRL. Through the Government's initiative, Kuantan Port will soon be able cater to large vessels up to 200,000 deadweight tonnage (DWT) or 18,000 twenty-foot equivalent unit (TEU) container ship.

26. Such achievement will be beneficial to the prospects of the hinterland cargo coming from the various industries and industrial parks along the new ECRL alignment.

27. Interestingly, the ECRL also has the potential to create an alternative trade route in the Southeast Asia region as the new rail line is able to connect ports on the west coast and east coasts of the peninsular.

28. Hence, regional trade routes that is mainly centered on the busy Straits of Malacca and the South China Sea via Singapore, may leverage on the ECRL transportation which can cater for the movement of bulky items in large volumes at a lower cost.

29. Furthermore, the ECRL is expected to increase two-way trade for Malaysia as it will participate in the Pan-Asia railway network that enhances the connectivity to the ASEAN and EURASIA regions. It will also realise the benefits under China's Belt and Road Initiative (BRI) where local entrepreneurs are able to penetrate a larger market via seamless transportation and movement of goods among a host of nations.

Ladies and Gentlemen,

30. It is regrettable there are still parties out there that are trying to derail the ECRL despite the potential benefit the *rakyat* stands to gain and the amount of value the project will unlock.

31. Nevertheless, I would like to assure the people of the east coast that the Barisan Nasional Government has an impressive track record and shall deliver on its promises. The MRT is the most recent and clearest proof of this. With your continuous support for the Government, *Insyallah*, we shall all witness the successful completion of the ECRL by year 2024 as promised.

32. Only less than a month ago, I launched the second phase of the 51 km Mass Rapid Transit (MRT) Sungai Buloh-Kajang Line, which is a significant milestone in the Government's effort to enhance the public transportation network.

33. Our MRT is a world class facility, and I am confident it will bring drastic changes to the lives of Malaysians and tourists particularly in the Klang Valley. The MRT has captured the imagination of Malaysians, who now believe in what we can achieve and deliver, and who are excited about more such projects coming their way. Similarly, the ECRL which is among the most highly anticipated “infra-rakyat” projects in the country, will be world class be it in terms of safety, reliability and cost efficiency, inshaAllah.

34. It is heartening to note that 95 percent of the 17,000 respondents polled during the three month Public Inspection for Phase One of ECRL, gave their approval to the project.

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

36. The overwhelming support of the people and state governments in the east coast only goes to show that the ECRL is a catalytic infrastructure project that spearheads economic growth.

37. The robust economic activities to be generated by the ECRL will improve socio-economic status and provide greater comfort to the people of the east coast, thereby steering the transformation of Pahang, Terengganu and Kelantan in the near future.

Ladies and Gentlemen,

38. Malaysia has a promising economic outlook and positive trajectory backed by the prudent policies undertaken by the Government and the political stability the nation enjoys. Our economy remained resilient during the global financial turmoil and continued to post decent economic growth despite the steep drops in the prices of oil and commodities in year 2016.

39. We have forecasted a growth of between 4 percent and 5 percent for the year 2017 and the nation is on track to achieve such growth underpinned by the robust economic environment, increase in exports, and job creation.

40. In fact, our economy grew at a better-than-expected 5.6 percent in the first quarter of this year driven by strong domestic demand and private expenditure.

41. Given the strong start, many economists have since revised upwards their forecast for Malaysia’s growth this year, while the International Monetary Fund (IMF) recently upgraded its 2017 growth for our country from 4.5 percent to 4.8 percent.

42. We are in no way a failed state as often harped by certain quarters. Instead, we have steadfastly kept unemployment and inflation low, while our currency has since strengthened by more than 4 percent against the US Dollar this year.

43. Malaysia is on course to become a high income nation by the year 2020 after achieving significant milestones under the National Transformation Programme (NTP). 2.26 million jobs have been created, which represents 69 percent of the 3.3 million target we want to reach by 2020. Clearly, we are making the right progress towards those goals.

44. The ECRL together with several mega infrastructure projects such as the MRT and the Kuala Lumpur-Singapore High Speed Rail (HSR) which provides the *rakyat* to access new, modern, and efficient public transport facility, will certainly be a key factor in the

transformation of Malaysia, in our effort to become be among the top 20 nations by year 2050.

45. The journey has already begun, and the ECRL, once complete, will take us quite some distance further towards attaining our national aspirations. Therefore, I seek the mutual support, cooperation, knowledge and expertise from all the ECRL stakeholders to ensure a smooth and successful delivery of this rail project.

46. I look forward to witness the opening of the ECRL sometime in the year 2024 InshaAllah. I wish Malaysia Rail Link and China Communications Construction Company the very best in undertaking this high-impact project.

Thank you.

Wabillahitaufik Walhidayah Wasalamualaikum Warahmatullahi Wabarakatuh.