Seminar on the Development of Integrated Transport and Logistics System in ASEAN and Pacific Subregion

Malaysia: Key Logistics and Transport System (Road and Rail)

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Ministry of Transport, Malaysia
Background: Malaysia’s Logistic Industries

“Logistics services as one of “drivers of growth” to propel the country into high income economy.”
– 10th Malaysia Plan

Logistic and Passenger Share

<table>
<thead>
<tr>
<th>Components</th>
<th>Share</th>
<th>Value (RM bil)</th>
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</thead>
<tbody>
<tr>
<td>Freight Logistics</td>
<td>80%</td>
<td>16 bil</td>
</tr>
<tr>
<td>Passenger</td>
<td>20%</td>
<td>4 bil</td>
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<tr>
<td>Total</td>
<td>100%</td>
<td>20 bil</td>
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Note: Study carried out in 2008
Highway (with toll) length has increased by more than 200% since 1992.

Among the tolled highway is the **North-South Expressway (846km)**. Main info:
- Total of 34 rest and recreation for both north and south bound.
- Connectivity to major industrial areas/port.
- NSE covers 81% of population and 89% of GDP in Peninsular Malaysia.
Strengthening the connectivity in North - South of West Coast and East Coast Corridor

- Part of the Highway Network Development Plan.
- To spur future socio economy development in potential areas.
Rest and Recreation Area
- 24 locations
- every 50-80 km

Lay-bys Facilities
- 45 locations
- every 20-40 km

Main figures:

a. Daily vehicles:
   - Normal days: 1.6 million
   - Peak days: 2 million

b. Total number of parking lots:
   - Cars: 2,620
   - Heavy vehicles: 509

c. Public toilets: 1,674

d. Stalls: 361

e. Seating: 5,913
NSE- Rest & Recreation Area
NSE- Prayer Room
NSE- Restrooms
NSE - Stalls
Rail Transportation Service

- Rail based freight transportation service in Peninsular Malaysia is operated by KTMB covering a total track length of 2,262 km.
- Padang Besar – Johor Bahru rail (804km) is part of Singapore-Kunming Rail Link network.
- Other services include land feeder and land-bridge services.
- KTMB also has terminal facilities at 11 locations comprising dry-port, inland container terminal, seaport and freight terminal.
KTMB Railway Network

- Main catchment/ industrial area
  i.e. Ipoh, Klang Valley etc
- Connectivity to main ports, inland ports.
<table>
<thead>
<tr>
<th>Facilities</th>
<th>Dry Port</th>
<th>Inland Container Terminal</th>
<th>Seaport</th>
<th>Freight Terminal</th>
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</thead>
<tbody>
<tr>
<td>Padang Besar Container Terminal</td>
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<tr>
<td>Butterworth Container Terminal</td>
<td></td>
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<tr>
<td>North Butterworth Container Terminal</td>
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<tr>
<td>Ipoh Cargo Terminal</td>
<td></td>
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<tr>
<td>Setia Jaya, Kontena Nasional</td>
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<tr>
<td>Northport Container Terminal</td>
<td></td>
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<td></td>
<td>/</td>
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<tr>
<td>Westports Container Terminal</td>
<td></td>
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<td></td>
<td>/</td>
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<tr>
<td>Nilai Inland Port</td>
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<tr>
<td>Segamat Inland Port</td>
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<tr>
<td>Pasir Gudang Container Yard</td>
<td></td>
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<tr>
<td>Tanjung Pelepas Port</td>
<td></td>
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The Need To Improve Logistical Efficiency

• A drop of 0.5 percent in logistics cost to 2 percent growth in GDP and 40% increase in the range of products exported from a county.

• Inventory costs due to transport delays are equivalent to 0.8%/day of delay of the value of the goods being delivered.

• Port inefficiency increases distance by 60%.

• Each additional day required for shipment imposes “extra” economic distance of 70 km per day.

• GDP impacts of efficiency improvements of 0.55% in ports and 5.5% in customs.

Source: World Bank / UNCTAD
Areas of Improvement

- Transport Infrastructure & Services
- Sustainability, Security and Environment
- Industry Best Practices & Benchmarking
- Applications of IT
- Human Capital
### Increasing Efficiency by Improving Transportation Infrastructure & Services

<table>
<thead>
<tr>
<th>Sufficient Modal Capacity</th>
<th>Improve “Last Mile” Connectivity</th>
<th>Modal Shift</th>
</tr>
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<tbody>
<tr>
<td>Review internal transport flows by modes (road, rail, air, bridges, domestic shipping and inland waterways) with a view to ensuring sufficient modal capacity for efficient flow of freight logistics.</td>
<td>De-bottlenecking congestion and improve accessibility between cargo terminals and the national road/rail grids.</td>
<td>Fostering multi-modal, or intermodal and co-modality connectivity in internal transport flows linking all nodes, including ports, airports, rail terminals, inland industrial parks and cargo terminals.</td>
</tr>
<tr>
<td>Road capacity need to be expanded for better road (and rail) connectivity.</td>
<td>Expanding existing last mile roads and rail network or developing new connections to create new capacity.</td>
<td>Considering fiscal incentives or financial grants to freight logistics operators (and to shippers) to use more efficient internal transport flows.</td>
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<td>More rest bays for drivers of freight logistics vehicles.</td>
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Malaysia’s Electrified Double Track Project

<table>
<thead>
<tr>
<th>Ipoh-Padang Besar</th>
<th>Seremban-Gemas</th>
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<tbody>
<tr>
<td>• 329km long with 15 stations, 8 halts, 2 tunnels.</td>
<td>• 98km long with 6 stations</td>
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<tr>
<td>• Equipped with modern signaling, communication and electrification system.</td>
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<td>Contract cost RM12.8 billion</td>
<td>Contract cost RM3.45 billion</td>
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<td>Scheduled to be completed by 7 November 2014. As of July 2012, the overall progress of the project is 86.72%.</td>
<td>Scheduled to be completed by 31 July 2013. As of July 2012, the overall progress of the project is 90.55%.</td>
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Expected Benefits from Electrified Double Track Project

- Increase efficiency via rail transportation
- Facilitate emergence of new industries and creation of new jobs
- Reduced road fatality
- Ipoh-Padang Besar Electrified Double Track to provide estimated spin-off effects of 5.9-7.9% to of Perak, Penang, Kedah and Perlis.
- Next in line, Gemas-Johor Bharu Electrified Double Track upgrade to further benefit states in the southern Malaysian region. Estimated cost RM7-8billion.
THANK YOU