



# Seamless Cross Border Railway Operations

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# 1 Enhancing ASEAN Railway Connectivity

At the 42<sup>nd</sup> ASEAN Railway CEOs' Conference (ARCEO) in Da Nang, Vietnam in August 2022, KTMB promoted the adoption of **open-access border-crossing mechanisms, aimed at facilitating seamless and free-flow traffic within the ASEAN Railway Network**



# Market Potential And Trade Opportunity Malaysia-Thailand



**Preparation for ASEAN Community, Population**  
**Thailand** 70 Million  
**Malaysia** 33 Million



**GDP 2019**  
**Thailand** 3.4%  
**Malaysia** 4.3%



**Untapped Potential for rail to transport goods/freight**  
 Movement of goods by rail vs track capacity KTMB; **30%**  
 Freight transport by rail, **< 5%**



**E-Commerce Market Thailand & Malaysia**  
 10%-15% annual growth  
**Thailand** USD0.9B-18B (2015-2025); 35%  
**Malaysia** USD1B-11B (2015-2025); 27%

# 3

## Improving Malaysia-Thailand Railway Interoperability

Category	Current State based on JTA 1954	Future Required State On Improved JTA
<b>Types of Border Crossing And Level Of Interoperability</b>	<p><b>Level C;</b> wagons and locomotive of the train can cross the border and continue the route</p> <p><b>Mode 2;</b> designate single common border station (at Padang Besar station)</p>	<p><b>Maintain Level C;</b> wagons and locomotive of the train can cross the border and continue the route</p> <p><b>Upgrade to Mode 3;</b> implement common procedures at designated major stations for border crossing without the train stopping</p>
<b>Train Slots</b>	<p><b>Passenger Services</b></p> <ul style="list-style-type: none"> <li>No SRT passenger trains entering into KTMB railway network currently</li> <li>KTMB passenger train operating until Hatyai</li> </ul> <p><b>Cargo Services (Landbridge)</b></p> <ul style="list-style-type: none"> <li>KTMB cargo train operating until Surathani</li> </ul>	<b>Implement free flow traffic with dedicated train slots for cross border passenger and cargo services</b>
<b>Rolling stocks</b>	KTMB's locomotive class 24 & wagons BCF 23 & BCF 24 allowed to operate in SRT network	<b>Any rolling stock operated by KTMB approved by SRT, vice versa</b>
<b>Customs and Immigration Clearance</b>	At the designated border stations i.e. Padang Besar station	<b>At the designated origin stations without the train stopping at the border (Mode 3 level)</b>

# 4

## Additional Dedicated Landbridge Cargo Train Slots within SRT Network

Category	Current Slots	Proposed Additional Slots
Landbridge Cargo Dedicated Train Slots	<ul style="list-style-type: none"> <li>Padang Besar – Hatyai; <b>3 return slots/ day</b></li> <li>Hatyai – Thung Song Junction/ Bang Klam/ Thung Po/ Kantang; <b>8 return slots/ day</b></li> </ul>	<ul style="list-style-type: none"> <li>Padang Besar – Hatyai; maintain current 3 return slots/ day</li> <li>Hatyai – Bang Klam/ Thung Po/ Kantang; maintain 2 return slots/ day for each destination</li> <li>Hatyai – Thung Song Junction; <b>increase to 4 return slots/ day</b></li> <li><b>Padang Besar – Nong Khai/ Thanaleng; 2 new return slots/ day (target to run on 23 August 2023)</b></li> <li><b>Padang Besar – Bangkok/ Saphli/ Napprado; 1 new return slot/ day for each destination</b></li> </ul>

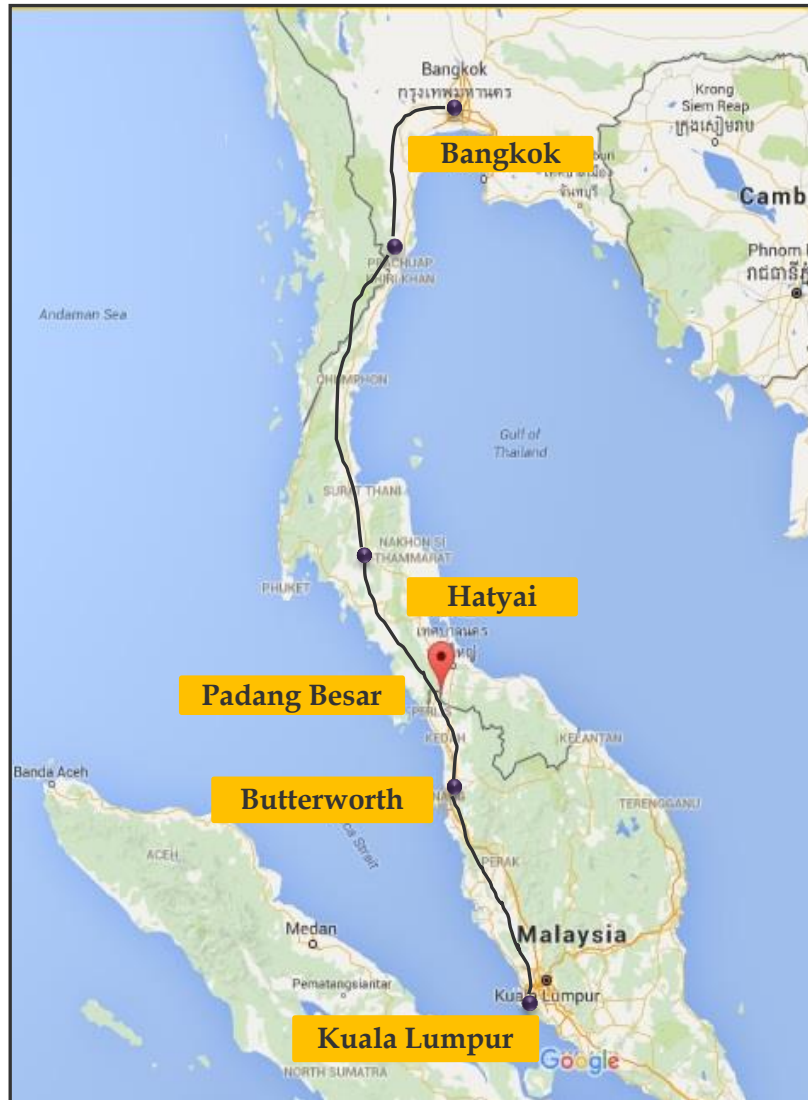


# New Asset Validation for KTMB Rolling Stock to operate within SRT Network

Category	Current Approved KTMB Asset	Proposed New KTMB Asset Validation
Rolling stocks	<ul style="list-style-type: none"> <li>Locomotive class 24 (16-TAL)</li> </ul> 	<ul style="list-style-type: none"> <li><b>Locomotive Class G10 (16-TAL)</b></li> </ul>  <p><i>Locomotive G10 training provided for SRT locomotive drivers in Malaysia with all associated expenses fully covered</i></p>
	<ul style="list-style-type: none"> <li>Wagons BCF 23 &amp; BCF 24 (16-TAL)</li> </ul> 	<ul style="list-style-type: none"> <li><b>Wagon BCF 26 (16-TAL)</b></li> </ul> 

- Request SRT to facilitate the validation processes
- Target to operate within SRT network by October 2023

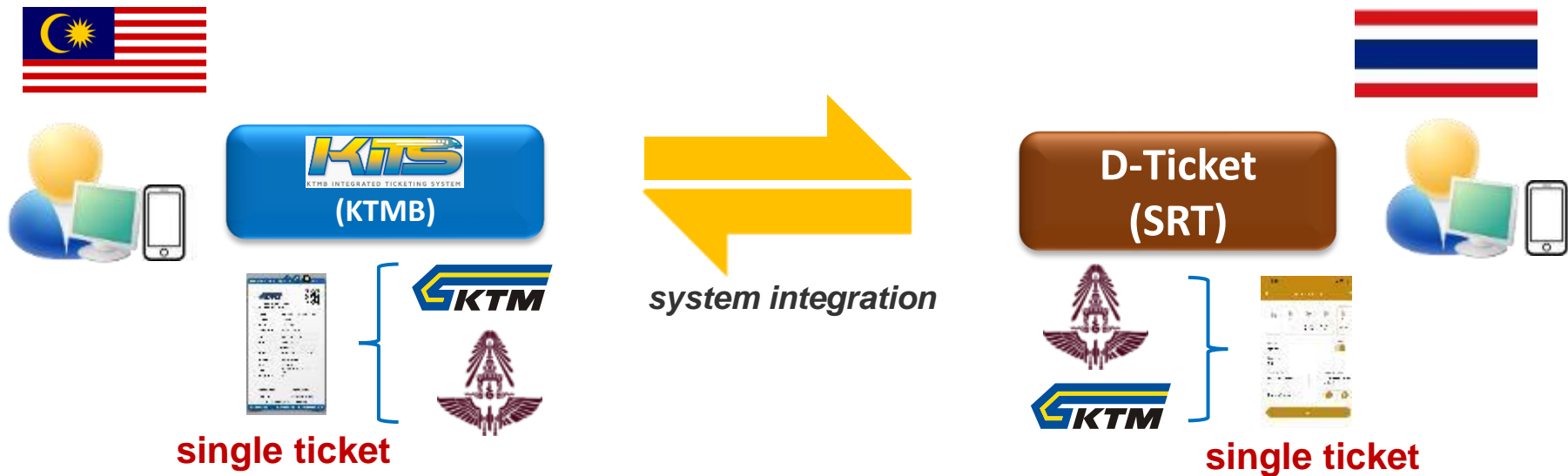
# Reactivation of Cross-Border Passenger Services



- Prior to 2016, both KTMB and SRT operated daily scheduled cross-border passenger trains;
  - SRT International Express: Bangkok – Butterworth – Bangkok
  - KTMB Langkawi Express: KL – Hatyai – KL
- After 2016, the International Express was terminated until Padang Besar only whereas the Langkawi Express was superseded with the introduction of the ETS Service
- KTMB proposes **to re-activate cross-border passenger services aligned with the goal of facilitating seamless traffic movement within the ASEAN region**
  - Target to reactivate Bangkok – Butterworth – Bangkok & KL – Hatyai – KL by October 2023
  - KTMB and SRT to actively explore the potential expansion of cross-border passenger services to other routes in the future



# 7 Cross Selling of Tickets For Passenger Services



## Value Creation;

- **Enhance passenger experience** – facilitate seamless purchase and reservation of tickets through a single ticketing platform
- **Expand wider customer base** – leverage KTMB and SRT customer base in respective countries
- **Personalization and customization** – enables KTMB and SRT to gather insights about their customers' preferences and travel habits that can be used to tailor the service offerings and create loyalty and retention
- Promote **sustainable growth and diversify revenue streams**.

## Proposal:

- To establish a working committee between KTMB and SRT and to prepare and finalize the implementation mechanism within 2 months (Aug & Sept)
- Target to realize and implement this initiative by October 2023

# Code Sharing For Cross-Border Passenger Services

“A formal business agreement to establish code share between SRT and KTMB will enable **expansion of network to operate without having additional trains**, which will improve connectivity and seamless travel experience, and enable both SRT and KTMB to **share more passengers between borders**”

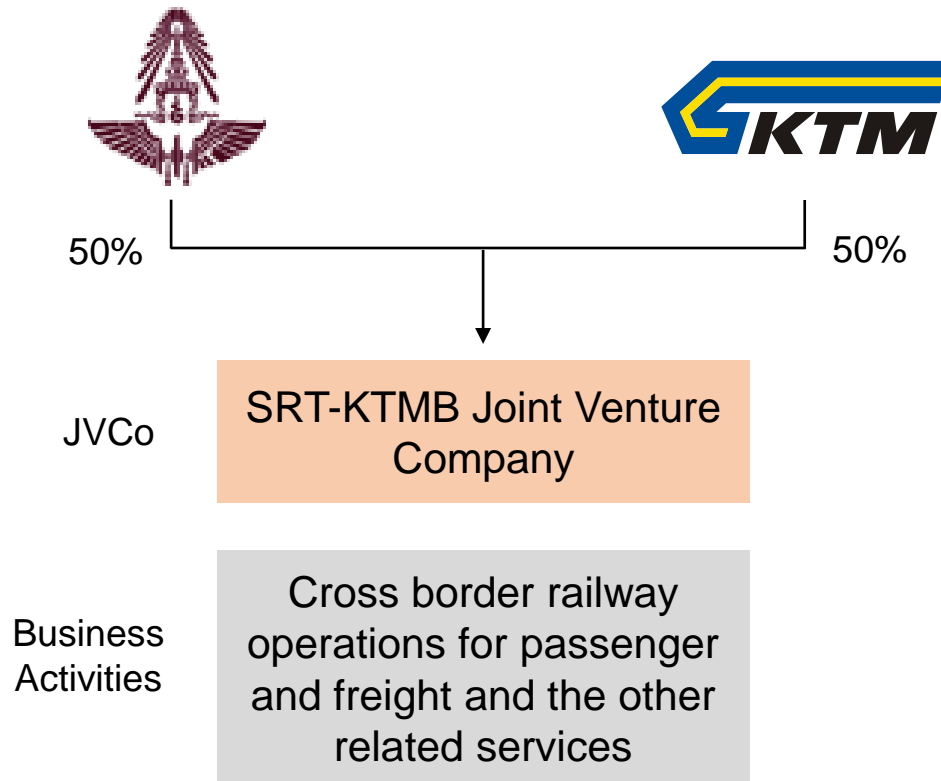
“For example, under a code share agreement, KTMB operates a train from Bangkok to KL, and **SRT can market and sell tickets for KTMB-operated trains from Bangkok using its own code**. Passengers buy tickets from SRT although train operated by KTMB”



## Proposal:

- To establish a working committee between KTMB and SRT and to prepare and finalize the implementation mechanism within 2 months (Aug & Sept)
- Target to implement this initiative for the Kuala Lumpur – Bangkok route by October 2023

# Strengthening KTMB-SRT Cooperation Through Joint Venture Partnership



- Formation of a joint venture company with equal equity participation from SRT and KTMB
- Manage joint operations of cross border passenger and freight trains
- Successful model for seamless railway operations implemented in other regions ie. Europe, Asia;



High speed rail UK – France – Belgium - Netherland



French – Belgian high-speed train



Guangzhou–Shenzhen–Hong Kong Express Rail Link



Swiss – French rail freight services



Dutch – Belgian rail freight services

# Strengthening KTMB-SRT Cooperation Through Joint Venture Partnership

Value Creation;

## Customer



Regional integrated freight railway solutions

Cost effective solutions for transporting goods

Shorten travel time

Saving logistics costs

Single billing payment process

Low carbon emission



## KTMB & SRT

Enhance cross border connectivity and improve operational efficiency

Harmonizing operational procedures, safety protocols, and technical specifications

Provide employment opportunities

Contribute additional revenue from cross border markets

Streamlining billing systems and financial processes

## Stakeholder

Business alliance – regional

Positive cashflow

Strong supply chain

Healthy financial returns

Inorganic growth



# Strengthening KTMB-SRT Cooperation Through Joint Venture Partnership

Proposal:

- To **set up a dedicated working committee** comprising representatives from KTMB and SRT to discuss and formulate collaboration efforts and mechanism to establish the joint venture company within **3 months (Sept – Nov)**
- To realize formation of **an equal joint venture company between SRT and KTMB by December 2023**



**THANK YOU**

