

FOR IMMEDIATE RELEASE

**PRESS STATEMENT****RAILWAY ASSETS CORPORATION COMMITTED TO STRENGTHENING RAIL FREIGHT TO MEET NATIONAL LOGISTICS NEEDS**

SEPANG, 13 July 2025 – Railway Assets Corporation (RAC) extends its appreciation to Mr. Rosli Khan for his thought-provoking article titled “Too Many Trucks, Too Few Trains: Malaysia’s Self-Inflicted Logistics Crisis”, published in Free Malaysia Today (FMT) on 12 July 2025. The issues raised are both timely and relevant, particularly in view of the current challenges facing Malaysia’s transportation and logistics sector.

The demand for rail-based freight services continues to grow among industry players. Statistics show a significant increase in container volumes handled by Keretapi Tanah Melayu Berhad (KTMB), the sole operator of cargo rail services in Malaysia—from **198,857 TEUs in 2020 to 324,764 TEUs in 2022**. This upward trend highlights the growing potential of the rail sector in supporting national trade and logistics.

Recognising this development, the Government, through the Ministry of Transport, is re-evaluating the national transport ecosystem and placing stronger emphasis on rail as the backbone of the logistics system. The Road to Rail initiative, introduced under the National Transport Policy 2030 is a strategic move to promote the modal shift of cargo from road to rail. This approach is seen as a safer, more environmentally friendly and cost-effective long-term solution.

RAC's Role and Ongoing Commitment

As the primary owner and manager of railway assets in Malaysia, RAC is fully aware of the two main challenges that must be addressed to support this transition:

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1. **Rail Asset Capacity** – ensuring a sufficient and operational fleet of locomotives and freight wagons; and
2. **Infrastructure Development** – constructing dedicated freight stations to support intermodal operations.

Reviving Rail Assets Through the Rolling Stock Strategy

In 2019, RAC mooted the idea of the Rolling Stock Strategy (RSS) as a 30-year long-term plan for the rail industry. Through this initiative, which is being implemented starting in 2023, a total of **44 locomotives** and **246 freight wagons** that are currently idle or non-operational will be refurbished in phases with active participation from private sector partners. This refurbishment effort, expected to be completed by 2027, will significantly boost the nation's rail freight capacity without incurring the high costs of procuring new rolling stock.

Kempas Baru Line Reopening: A Strategic Move

Another strategic development is the reopening of the **Kempas Baru rail line** in May 2025. This 39.9-kilometre stretch connecting **Kempas Baru, Seelong, and Johor Port** has been fully upgraded at a cost of **RM55 million**. With the completion of this project, KTMB is now able to increase cargo train frequency from **two (2) to six (6) trips daily, while raising container handling volume from 140 TEUs to 420 TEUs per day** a threefold increase.

Enhancing Intermodal Infrastructure

To further improve infrastructure, RAC has issued a **Request for Proposal (RFP)** inviting industry players to participate in the development of **six (6) new freight stations** along the existing railway network. These stations will serve as intermodal hubs, facilitating more efficient integration between rail and road transport.

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Looking ahead to the **13th Malaysia Plan (RMK13)**, the Government is planning to expand rail freight capacity further by procuring **44 additional locomotives** and **1,200 new freight wagons**. This long-term investment reflects the Government's ongoing commitment to building a modern, reliable and sustainable rail logistics system for the nation.

RAC reaffirms its ongoing efforts to enhance the country's rail freight sector. These initiatives not only aim to reduce dependency on road-based cargo transport, but also align with the national agenda to meet the **Sustainable Development Goals (SDG)**, lower carbon emissions and improve transportation infrastructure safety.

With continued support from the Government, operators and industry stakeholders, RAC is confident that Malaysia's rail logistics sector will grow as a key economic driver and elevate the country's position as a **competitive and environmentally friendly regional logistics hub**.

– END –

Issued by:

RAILWAY ASSETS CORPORATION

13 JULY 2025

About RAC:

The Railway Assets Corporation (RAC) is a Federal Statutory Body under the Ministry of Transport. RAC was established under the Railways Act 1991 (Act 463) and began full operations as an organization on 1 August 1992. With the enactment of this Act, all railway assets previously managed by KTM and railway lands previously under the jurisdiction of the Federal Lands Commissioner (PTP) were vested into RAC, while railway service operations were handled by the successor company, Keretapi Tanah Melayu Berhad (KTMB). The corporation functions as the caretaker and business planner for preserving and transforming railway assets into valuable properties capable of generating sustainable income for the Government. For more information www.rac.gov.my

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