

Greater KL is Colas Rail's Regional Operation Hub in ASEAN

The next time you ride on the Greater Kuala Lumpur (Greater KL) Kelana Jaya light rail transit (LRT) line, you may want to think about the expertise that goes into its construction, and how engineering contributes to the ease of transportation in a metropolis as large and wide as Greater KL. This is the brainchild of Colas Rail, a world leading French provider of rail infrastructure services and a subsidiary of Colas Group which has chosen Greater KL as the ideal city to become its operations hub for the region.

"Greater KL was chosen as our regional headquarters base, amongst other prime locations that were considered by us," said Colas Rail Asia's president and chief executive officer (CEO) Richard Fostier. "The city offers many advantages. Having our regional hub here in Greater KL is important because we believe in being close to our customers and suppliers, and the Malaysian market is our priority in terms of domestic development due to the large volume of projects that are ongoing."

Colas Rail is established in Malaysia under two companies, which are Colas Rail System Engineering Sdn Bhd and Colas Rail Asia Sdn Bhd. Colas Rail worldwide operations recorded a revenue of 920 million euros in 2014 and it has a workforce of 5,000 people globally.

The right ingredients for ease of doing business

According to Fostier, the ease of doing business in Greater KL is what drew Colas Rail to set up its regional hub here.

"Compared to neighbouring cities, Greater KL offers a large stock of available offices, housing and global quality of life that is very much appreciated by all the international companies who set up their regional headquarters here," he said.

"The city has all the ingredients for successful development in terms of railway and infrastructure perspectives. With the demography, urbanization and strong economic growth, there is a rising need for urban and inter-urban railway and general connectivity in Greater KL. The ease of doing business in Malaysia is a reality and it really makes a difference compared to its neighbouring countries," said Fostier, who himself has been in Greater KL for 4 years.

The placement of Colas Rail's regional hub is significant to Colas Rail's operations as it works towards decentralizing operations from its international headquarters.

"In the railway industry, bids are very demanding which requires a lot of technical skills and expertise. We have been able to design and make more than 10 bids in full autonomy from Greater KL, addressing our Malaysian, Singaporean and Vietnamese markets," said Fostier.

Besides strengthening its Greater KL arm, Colas Rail's regional hub will also benefit the local population as its operations here will create high-skilled jobs contributing towards Malaysia's gross national income (GNI).

Tapping the pool of local talent

Another plus point for Colas Rail to locate its regional hub in Greater KL is being able to access Malaysia's skilled talent.

"We employ 250 staff, with around 100 Malaysian technicians, engineers, and directors that we recruited and trained over the past 3 to 4 years. We are very proud of this fact," said Fostier, adding that there is also a high count of women in its staff.

Localising the company is a priority for Colas Rail as it believes that nobody knows the local scene better than the locals themselves. "We wanted autonomy from our far distant European base. This is why we have built up our own tendering, engineering and procurement departments here," explained Fostier.

According to him, Colas Rail has diversified their operations and now, around half of Colas Rail's revenues come from its international entities, which extends from as far as Chile to Malaysia.

In fact, Colas Rail wants to incorporate more of the local hires into its workforce in the future. "Malaysia is familiar with the English language, and are blessed with available local skills, people and resources. In fact, we are considering decentralizing more internal support services and functions from international entities to Greater KL, such as payroll and IT support," he said.

Affordable quality living

In Fostier's opinion, Greater KL also offers opportunities in the form of more affordable cost of living. "With a large availability of office space, this keeps the level of cost in setting up offices at a reasonable level. More than the cost, it's also the quality of the buildings that is important."

"When you compare Greater KL with its other neighbours, Greater KL has a lot more land and space available with larger potential for development. With the way the construction sector is booming here, this offers a lot of available office and housing spaces of good



SOURCE: MYRAPID (ARTIST IMPRESSION)

The Kelana Jaya Line Extension will begin from Kelana Jaya station and pass through 13 new stations, covering a distance of 17.4km. The project is expected to be completed in first quarter of 2016.



Welding preparation at Subang depot

standard. And the policy followed by Malaysia's leaders in terms of competitiveness is certainly making Malaysia one of the more attractive cities in the region," said Fostier.

The role of InvestKL

The work that was done by InvestKL to bring Colas Rail to Malaysia has helped to smoothen the company's settling down process. InvestKL facilitated the process of liaising Colas Rail with different organizations, both governmental and non-governmental.

"In the beginning, when we were still getting familiar with the new setup, InvestKL helped us by assigning one mutual contact person for everything that we were doing. This gave us confidence when we first arrived," noted Fostier.

"With the government's Vision 2020 and the combined efforts of InvestKL and all the other bodies working efficiently, to us, Greater KL is now more attractive for regional headquarters investments. We now consider our Greater KL presence as an incubator for Colas Rail's operations in the Southeast Asian region," he said.

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— Richard Fostier, Asia's President and CEO

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