d)   Consulting

In 1989 KTM enlisted the help of Canadian Pacific Consulting Services (CPCS) to delineate its existing cost structure to pave the way for its privatization i.e. to review sectoral cost centres.   The CPCS team, which was in Malaysia for 17 weeks, defined cost centres, determined their functions and identified services to be offered.

e)   Knowledge of Canadian Products

When asked for his opinion on Canadian products, Mr Paranchothi, the Deputy Director of Signals and Communication, remarked that he has visited some of the rail signalling equipment manufacturers in Canada and he believes that Canadian products are of superior quality.   However, Canadian manufacturers lack a presence in Malaysia and as such very little is known of their capabilities, products and services.   In agreement with the majority of the contacts interviewed for this study, Mr Paranchothi stressed that the Canadians should take an effort to make themselves more visible in the local market. He added that their products must be priced competitively.

f)   Procurement Practice

It is standard practice for KTM to call for tenders for all of its purchases.   Within KTM, there is a railway board committee whose function is to evaluate both the technical and financial aspects of tender bids. This committee comprises representatives from the Treasury, the Ministry of Transport and KTM itself.