

TRANSPORT

Malaysian Railway Establishes Sectoral Costing

■ CPCS Ltd, the Canadian railway engineering and management consulting company from Montreal, has a long association with traffic cost management in Malaysia's railway administration, Keretapi Tanah Melayu (KTM).

CPCS did costing studies in 1971, and again in 1973. They computerized the costing calculations in 1987. This resulted in the railway being able to assemble and examine the incremental cost of any freight or passenger service on very short notice.

Mr Abdul Rahim Osman, KTM Deputy General Manager, observed that the cost knowledge was easy to extract from the computer model. It enabled the railway to focus attention on profitable and non-profitable lines of business. In fact, in 1988, KTM was able to produce an operating profit for the first time in many years.

As the next step, components of internal efficiency in KTM were examined in a study made possible by contributions under the Industrial Cooperation Program of the Canadian International Development Agency (CIDA). As a result, the cost and revenue performance of four divisions of KTM are prepared on the basis of accurate internal costs. Printed results from the computer reflect any improvements made by a division throughout the year. These



Bill Denning, transport economist, and Mike Nicoll-Griffith, Senior Consultant, management informations systems, both of CPCS, with the KTM team

show as "paper profits", but are real in the sense that, added together, they demonstrate the overall corporation's performance.

Although other railways in the world have transformed their corporations by creating sectoral subsidiaries, the Malaysian solution achieves the same effect without dividing the railway administration into many parts. "We are still one corporation," says Puan Mahanom Johari, Director of Finance, "and we have a single accounting system. What CPCS has done is to give our Divisional Directors a tool that will measure improvements made in efficiency during the year. We know this is leading towards improvement of the performance of each of our sectoral parts."

ENVIRONMENT

TOWARDS PUBLIC AWARENESS ON THE ENVIRONMENT

■ One of the key elements in adequate environmental protection lies in proper training and education. This is a fundamental objective of the Malaysian Forum for Environmental Journalists (MFEJ). In a pioneering effort, the MFEJ embarked on a project to produce a handbook that will serve as an important media reference tool, in recognition of the integral role the media plays in disseminating balanced, comprehensive information on the environment.

The printing of 1,000 copies of the handbook, entitled "Reporting on the Environment: A Handbook for Malaysian Journalists", was made possible through a \$2,400 Canada Fund contribution.

The handbook was launched by the Minister of Science, Technology and Environment, Datuk Amar Stephen Yong, in December 1989, in conjunction with the regional seminar for environmental journalists on the theme "The Environment and Sustainable Development".

During the launching, High Commissioner Lambert noted, "If efforts towards rectifying national and transboundary environment problems are to be anything more than positive thoughts and good intentions, mobilizing public opinion through informed, reliable and constructive reporting is indispensable."

The MFEJ, established in 1987, is a non-profit organization with members from the media of Peninsular Malaysia.

Datuk Amar Stephen Yong receiving a copy of the handbook "Reporting on the Environment: A Handbook for Malaysian Journalists" from High Commissioner Lambert

