



OPENING SPEECH

BY

**YB TUAN BARU BIAN
MINISTER OF WORKS MALAYSIA**

FOR

**THE OPENING CEREMONY OF
HIGHWAY CONCESSION
CONFERENCE 2019 (HCC 2019)**

**ON 15 JULY 2019 (MONDAY)
AT LEXIS SUITE, PENANG**

SALUTATION

1. YBhg. Dato' Dr. Syed Omar Sharifuddin
B. Syed Ikhsan
Secretary General, Ministry of Works
2. YBhg. Dato' Sr. Aziz Bin Abdullah
Director General
Malaysian Highway Authority
3. Yang Berbahagia Tan Sri-Tan Sri, Puan
Sri, Dato' Sri-Dato' Sri, Dato'-Dato',
Datin-Datin
4. *Distinguished Guests and Speakers,*
5. Members of the Media.

Selamat Sejahtera and Salam Malaysia
Baharu,

1. Firstly, I would like to take this opportunity to thank the organizing committee of the ***HIGHWAY CONCESSION CONFERENCE 2019 (HCC 2019)*** for inviting me to deliver the opening speech of this conference. It is indeed a great pleasure and a privilege to be amongst this distinguished audience, comprising experts, senior public-sector officials and captains of industry in the fields of road engineering, to deliver the opening speech and officiate the opening of the ***HIGHWAY CONCESSION CONFERENCE 2019***.

2. Credit should be given to the Malaysia Highway Authority (MHA) for initiating this event. Such events create good platforms for ideas-sharing, fruitful discussions and to determine the way forward for the betterment of the highway industry in Malaysia.

3. I also would like to welcome all international delegates to Malaysia, “Selamat Datang”. I am very pleased to note that there are about 220 professionals represented here, especially players from highway industry. Thank you for taking part in this conference.

THEME AND OBJECTIVES OF THE HIGHWAY CONCESSION CONFERENCE

Ladies and gentlemen,

4. The conference theme **“Enhancing Users’ Satisfaction Through Innovation and Financial Re-Engineering”** was chosen in line with our country’s current situation and trends. Users’ expectations and demands are getting higher and higher. Being sensitive towards the people’s needs and difficulties, we as leading players in the highway industry must continue to think out of the box in order to keep our services at the very best through creative and innovative ideas, right technologies, devices and instruments.

5. Based on a survey carried out recently, the majority of the highway users have expressed willingness to pay tolls but in return, they expect better value-added services. One of the major frustrations expressed by them is that they get stuck in traffic as soon as they enter a tolled highway.

6. In addition, I cannot emphasize more on the safety and security aspect of our roads and highways. We want all users to reach their destinations safely and we will continue to enforce compliance with this fundamental requirement.

7. I am indeed happy that our Rest and Service Areas (RSA) have improved significantly and I believe that through creative thinking, we can further improve the development component within the RSA.

8. We understand that traffic growth is very much predictable. If third party revenues can be increased through development within the right of way, these additional revenues can be used as mechanisms to provide better value to the public. We hope that the MHA and concession companies can sit together to explore this possibility.

EMBRACING NEW TECHNOLOGIES

Ladies and gentlemen,

9. Emerging technologies such as Artificial Intelligence (A.I), Autonomous Vehicles, Cashless Payment Systems (both e-wallet and open payment), Machine Learning, Cloud Tolling, Video Analytics, IOT sensors etc can be deployed in the highway industry.

10. We cannot stop technological advancements. The question is whether our highway policy and framework are adequate to adopt and adapt to these technological enhancements?

11. Are our highways ready to be linked to Smart Cities that are being developed at their vicinities?
12. Are our highways ready to accept autonomous vehicles?
13. Are the standards that we adopted sufficient to ensure safety for the operation of autonomous vehicles?
14. Have we started with our digital twin program to provide the right infrastructure for automation and optimum life cycle of asset management?

15. In order to address these concerns, we need to develop standards and/or guidelines for our highway industry particularly in the areas of:

- a) Building Information Modelling which will lead towards digital twin;
- b) Communication Protocol – to ensure seamless integration for machine to machine communication;
- c) Photogrammetry technology to enable digitalization of infrastructure;
- d) Big data analytics for future planning; and
- e) Strategic and Tactical Asset Management to enable optimum asset management and maintenance.

16. In formulating the above standards and guidelines, we need not re-invent the wheel. We can adopt and adapt those standards that are already available and modify them to suit our needs.

17. In line with the Government's vision to provide best services for highway users, the latest Tolling Collection System (TCS) is to be adopted to ensure efficient toll collection, thus reducing congestion at the toll plazas. This is in line with worldwide best practices.

18. Towards this goal, the Government had decided to implement the Radio Frequency Identification (RFID) technology for the Toll Collection System (TCS) at all toll plazas nationwide. This is not the end of TCS evolution; in fact, this transformation should lead to Multi-Lane Free Flow (MLFF) in the future.

HIGHWAY OF THE FUTURE

Ladies and gentlemen,

19. I am trying to visualize how our highways will look and feel in the future. There are many technologies that are currently under research, such as:

- a) Self-illuminating road markings;
- b) Road/Highway inspections with the use of drones;
- c) Incident detection and enforcement using smart cameras;
- d) Overloading detection using sensors;
- e) Highway lighting powered by solar energy;
- f) Implementation of the Journey Management System;
- g) Smart Roads;
- h) Parking Booking Management Systems; and
- i) Integration of Road, Rail and Air

20. I urge that we intensify our research and development initiatives in order for us to transform our highway into smart highways.

Ladies and gentlemen,

21. For a tolled highway to be sustainable, apart from technological adoption to ensure optimum CAPEX and OPEX, having the right business model and good financial structure are vital to ensure that the optimal and affordable toll is charged to highway users.

22. Malaysia has implemented close to 30 highway concessions and over the years our project structures and business models have not changed much. In view of the rapid technological advancement and lifestyle changes that we are seeing, there needs to be a different structure to replace the current one. I hope that this will be discussed here and that options can be formulated for further deliberation.

THE INFLUENCE OF MEDIA AND PUBLICITY

Ladies and gentlemen,

23. The media plays an important role in determining public perception. Social media has transformed and become the main correspondence and communication medium. The public has opted to use social media to complain about tolls, quality of highways and congestion. This phenomena needs to be handled wisely.

24. We have to foster closer tie-ups with the media through forums, seminars and workshops to enable us deliver the right information to the public. A proactive and concerted communications strategy should be adopted by all stakeholders to replace ad-hoc initiatives.

25. I hope that all stakeholders are sensitive towards the various forms of media and have in place strategic approaches in handling various issues that are raised by the public.

26. Concession companies and the Government must work hand-in-hand in responding to the public to ensure that clear and correct messages are disseminated.

HIGHWAY DIGITALIZATION EXCELLENT AWARD (HDEA 2019)

Ladies and gentlemen,

27. I was informed that the MHA has introduced the Highway Digitalization Award (HDEA 2019) in conjunction with HCC 2019. The main purpose of the award is to give recognition to those who have successfully embraced highway digitalization initiatives. The HDEA 2019 Award Assessment encompasses aspects of digitalization transformation in the construction, operation and maintenance of highways that will benefit the industry.

28. This award program is designed to recognize exceptional, innovative and extraordinary achievements in highway projects, efforts or initiatives that benefit the concession company and highway users.

29. The award is open to all highway industry players i.e Concession Companies, Consultants, System Integrators and Contractors. The main criteria that will be considered are accessibility, security and user experiences.

30. I am confident that this award will become a booster to motivate all industry players to keep up their efforts in the modernization of highway services through digitalization mechanisms.

CONCLUSION

Ladies and gentlemen,

31. Last but not least, this conference is an opportune time for all of us to engage in the sharing and exchanging of knowledge, ideas and experiences that can make our world is a better place to live. We must fervently embrace

innovation and the right technology in driving productivity for the highway industry. I believe this can be achieved at this conference, which aims to offer ideas, solutions and products for superior highway infrastructure.

32. I wish the organisers and participants a stimulating and fruitful **HIGHWAY CONCESSION CONFERENCE 2019**.

33. Ladies and gentlemen, I take great pleasure in declaring the **HIGHWAY CONCESSION CONFERENCE 2019** officially open.

Thank you.