Ipoh-Padang Besar Electric Railway Project is Right on Track

The Ipoh-Padang Besar railway double-tracking and electrification project is 43% complete according to MMC-Gamuda Joint Venture Sdn Bhd. Due for completion by December 2013, company director Datuk Azmi Mat Nor also stated that the RM12.49 billion project was also not expected to suffer any cost overrun. The company had mitigated against possible cost increases of raw materials by "forward buying". The 329km double-tracking project, which started in January 2008, involves the construction of a railway line parallel to the existing one between Ipoh and Padang Besar as well as its electrification and is designed to cater for electric train sets with top speeds of 160kph. The company had awarded work to 310 sub-contractors and suppliers. However, about 10% of these have had their contracts terminated for failing to meet preset requirements. When completed, the project was expected to contribute to 0.75% of the national gross domestic product.

(Sourced from The Star)

Experienced Contractors have Better Chance in LRT Extension Project

Syarikat Prasarana Negara Bhd had prequalified 17 companies as main contractors for the Ampang and Kelana Jaya LRT extension lines and also prequalified 15 applicants for the subcontracting role involving the fabrication and delivery of segmental box girders (SBGs). However, contractors with the relevant track record in the light rail transit (LRT) are expected to have a better chance of being selected in the RM7 billion LRT extension project in the Klang Valley. OSK Research analyst Jeremy Goh believes that Gamuda Bhd has the necessary expertise given its experience with the Kaohsiung MRT in Taiwan while IJM and Road Builders were among the main subcontractors for the existing line. He pointed out that Malaysian Resources Corp Bhd (MRCB) was involved in the existing LRT portion at KL Sentral while Mudajaya was also a likely beneficiary as it previously constructed some of the stations for the current line. He added that competitive contractors such as WCT stood a strong winning chance as pricing would also be the key determinant. OSK Research retains its "overweight" rating on the construction industry due to the positive sentiment in the sector and on expectations the sector would be fuelled by more positive news flow in the coming months.

Based on balance sheet strength and past experience alone, HwangDBS Vickers Research believes that Gamuda and IJM were the strongest contenders, while UEM Builders Bhd was also seen as a frontrunner as the main contractor for the current line. AmResearch Sdn Bhd analyst Mak Hoy Ken is of the opinion that the UEM Group, along with IJM and Gamuda, are leading contenders. However, he does not discount the possibility of local consortiums being formed for other contractors to participate at the subcontract level, which would include WCT and Loh & Loh Corp Bhd. Mak added that MTD Cap Bhd potentially stands to gain from sub-contracting works under the SBGs as it is among the largest suppliers in Malaysia. Kenanga Research, which expected the estimated RM7 billion contracts to be divided into several smaller packages, stated that if any of the large cap contractors such IJM, Gamuda and WCT Engineering does not secure contracts of at least RM1 billion, the huge disappointment could trigger investors to lock in profits.

(Sourced from BERNAMA)

Malaysia has Potential to Become Major M&E Producer

According to Deputy International Trade and Industry Minister Datuk Jacob Dungau Sagan, Malaysia has the potential to become a regional major producer and centre of machinery and equipment (M&E). He added that M&E was also one of the priority and crucial sectors to the country's economic and industrial development, pointing out that the industry is one of the sectors promoted under the 3rd Industrial Master Plan (IMP3) for development. He stated that, in IMP3, a total of RM30.8 billion is expected to be invested in the sector, while exports is poised to grow to RM48.3 billion by 2020. In the first quarter of 2010, the country's machinery, parts and appliances exports rose 16.9% to RM5.26 billion while imports increased by 9.8% to RM9.73 billion. He added that, for the first two months of the year, the Malaysian Industrial Development Authority approved a total investment of RM46.0 million, of which RM41.4 million was domestic direct investment.

(Sourced from BERNAMA)

RM100 Million Contract by KPOC Awarded to Aker Solutions

Kebabangan Petroleum Operating Company Sdn Bhd (KPOC) has selected Aker Solutions as its contractor for the detailed engineering of the Kebabangan (KBB) Northern Hub development project located in the South China Sea, 130km offshore Sabah. Under the four-year contract estimated at a value of over RM100 million, Aker Solutions operations in Malaysia will provide detailed design and engineering support through to the start up phase of the project. Ravi Kashyap, President for Aker Solutions' field development operations in Malaysia, stated that the company had successfully completed the concept study and FEED for the project. KPOC, comprising PETRONAS Carigali Sdn Bhd, ConocoPhillips Sabah Gas Ltd and Shell Energy Asia Ltd, will operate the Kebabangan field. KBB will be a hub for the development of deep water and on-shelf gas and oil assets offshore northern Sabah. The KBB facility comprises single integrated drilling, oil and gas production, utilities and quarters (PDUQ) topsides mounted on a fixed 8-leg jacket in 142 metres of water.

(Sourced from BERNAMA)

PKNS to Set up Company to Maintain Low-cost Flats

The Selangor state government plans to set up a company under the Selangor State Development Corporation (PKNS) to carry out the maintenance services at low-cost flats from June next year. State housing, building management and squatters committee chairman Iskandar Abdul Samad said that the move will help ease the financial burden of flat dwellers as the maintenance fees will not be so high because a single company requesting quotations for repairs and maintenance work for all the flats should get a cheaper price than individual quotations from the different flats. So far, there are a total of 250,000 strata units in Selangor and more than 70% of them are low-cost units that house about 1.2 million residents.

(Sourced from The Star)