

## Fierce fight for LRT3 jobs – intense competition among local players



Monday, August 7th, 2017 at , Corporate Malaysia | Money



By **MARK RAO**

**The** competition for a slice of the multibillion-ringgit Light Rail Transit Line 3 (LRT3) project will be fierce, with 10 construction awards expected to be awarded to successful companies.

An analyst at a local research firm said despite the usual suspects who had participated in past and ongoing rail infrastructure projects, the list is expected to be longer including for the Bumiputera portion of the project.

AllianceDBS Research Sdn Bhd analyst Chong Tjen San said it is too difficult to predict who will secure the contracts for Prasarana Malaysia Bhd's third rail line in the Klang Valley.

"There are between 20 and 30 bidders for the project. The niche packages will have around five to six bidders," Chong told *The Malaysian Reserve*.

"Long-established companies with experience in the rail construction are favourites."

He said competitions for the Bumiputera packages are expected to be fierce with non-listed and smaller companies expected to come into the fray.

**Sunway Construction Group Bhd** and Gamuda Bhd have been the most aggressive in securing construction and infrastructure works recently. Both are likely favourites to win at least one of the 10 contracts for LRT3. Sunway Construction Group is already involved in the Mass Rapid Transit (MRT) Package V4 and LRT- Kelana Jaya extension line projects. The company could look to add to its outstanding RM4.3 billion orderbook secured by its subsidiary **Sunway Construction Sdn Bhd**.

Gamuda is currently the project developer for three MRT projects, two in Malaysia and the other in Taiwan.

The developer was appointed the project delivery partner for the Klang Valley MRT project in 2015, and is undertaking both the Sungai Buloh- Serdang-Putrajaya and Sungai Buloh- Kajang lines.

Other smaller players – including Muhibbah Engineering (M) Bhd and WCT Holdings Bhd – will also be in contention for the LRT3 project.

Prasarana recently awarded a RM1.56 billion light rail vehicle (LRV) work package to a consortium, which includes the largest train developer in China, CRRC Zhuzhou Electric Locomotive Co Ltd.

The LRV work package is reportedly one of the largest systems work packages offered under the LRT3 projects to date – with 11 out of 59 LRT3 work packages have been awarded.

It was further announced that three more packages worth between RM2 billion and RM2.5 billion will be announced by the end of this month. Inter-Pacific Research Sdn Bhd head of research Pong Teng Siew said the packages are expected to go to local construction firms as the country has enough local capacity to complete the task.

“Considering the government’s present financial position, the country is unlikely to be able to support more international players coming into the infrastructure space,” Pong said.