

SunCon, WCT potential candidates in Johor RM2.6b bus rapid transit project

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KUALA LUMPUR: The proposed bus rapid transit (BRT) project in Iskandar Malaysia, Johor could see **Sunway Construction** and WCT Holdings emerging as potential candidates, says CIMB Equities Research.

The research house said on Monday that 90% of the coverage of the BRT system will be in Iskandar Malaysia, which measures 2,217 sq km. The BRT system will be 51km in length with 39 stations, the longest and most comprehensive BRT project by far.

CIMB Research pointed out the new BRT system will cost RM2.6bil and is expected to be completed and operational by 2021 (four years from now).

Last Friday, Prime Minister Datuk Seri Najib Tun Razak launched new initiatives for the state of Johor. These include the rolling out of a BRT project, which is a new and major infrastructure project there. This came along with other “goodies” for the state that include RM360mil in development expenditure (DE) to build 2,380 affordable homes by 2020.

BRT is a transit system that uses dedicated busways with modern and universal access stations, integrated pedestrian access, rapid boarding, high service frequency and coverage of major catchment areas.

The first BRT project, located in Sunway (5.4km), was awarded in 2013 and completed in 2015 at a cost of RM634mil. The second BRT system, which will run from KL to Klang (RM2bil), is in the tender phase and could be awarded by 1H18.

"While it is too premature to name potential winners for this new BRT project, it is worth mentioning that Sunway Construction, a subsidiary of Sunway Bhd

, could emerge as among the frontrunners given its experience in the BRT 1 project and its ongoing tender for the BRT 2 (KL-Klang line).

"Another potential contender is WCT Holdings, which is presently among the five consortiums tendering for the RM2bil KL-Klang BRT," it said.

CIMB Research pointed out the size and scale of the Johor BRT project suggest a greater pool of potential beneficiaries given the large number of stations to be built (39 stations).

What is unclear at this point is the project's details, including the length of the guideways (above-ground scope), if any. Johor BRT will be constructed over four phases.

It said BRT systems are an emerging new angle under the government's public transport upgrade plans and could take off in a big way in 2018, led by the potential award of the RM2bil BRT KL-Klang.

Apart from the new BRT Johor, there is also an existing proposal to build a BRT system in Kota Kinabalu, Sabah.

"Maintain Overweight on the sector, with Gamuda as our top pick for the bigger rail theme," it said.