

MRT project seen benefiting big and small companies

PETALING JAYA: The My Rapid Transit (MRT) project is expected to benefit almost all levels of companies in the construction sector but competition will still be stiff, according to analysts responding to the complete list of more than 80 work packages for the country's biggest infrastructure development that was recently made public.

An analyst said looking at the complete list, it would surely benefit big and small construction players but the competition would be stiff.

"This (competition) is expected to influence the margins of the pack-

ages. For the elevated civil or viaduct works, I expected the margins to be in the range of low to middle single digits while the tunnelling works is expected to have margin in the range of high single digit to early teens," he told *StarBiz*.

Another construction analyst said the project was likely to take up significant capacity in the local construction industry.

"Nevertheless, what's more important is that while it is good to come up with the complete works timeline, keeping to the scheduled timetable is another matter.

"We just have to wait and see," he said.

Meanwhile, HwangDBS Vickers Research said the next anticipated awards were for the other elevated civil works packages that included V4 (Section 16 Petaling Jaya to Semantan portal), V1 (Sungai Buloh to Kota Damansara), V2 (Kota Damansara to Dataran Sunway) and V3 (Dataran Sunway to Section 16) where tenders would be called in the second quarter and the awards would be in the third quarter of this year.

"We expect contract sizes to be

chunky for each package at between RM700mil to more than RM1bil," it said in a report.

There will be open and bumiputera categories, whereby the listed beneficiaries for the open category include Sunway Construction, Mudajaya Corp, Muhibbah Engineering, IJM Corp, Malaysian Resources Corp and Gadang Engineering.

The bumiputera category-listed beneficiaries include Naim Engineering, Trans Resources Corp, TSR Capital, Ahmad Zaki Resources and Dekon.