

Projek HSR domestik mungkin jadi kenyataan

Laluan Kuala Lumpur-Johor Bahru disemak dalam jangka panjang

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Keputusan kerajaan menamatkan projek Kereta Api Berkelajuan Tinggi (HSR) Kuala Lumpur-Singapura tidak bermakna pengakhiran bagi rel berkelajuan tinggi di negara ini.

Penganalisis Hong Leong Investment Bank, Jeremy Goh, dalam notanya berkata, cakap-cakap mengenai rundingan bagi membangunkan rel berkelajuan tinggi yang akan berakhir di Johor Bahru semakin diperkatakan berdasarkan pemeriksaan lapangan oleh firma penyelidikan itu.

Katanya, Menteri di Jabatan Perdana Menteri (Ekonomi), Datuk Seri Mustapa Mohamed turut menyatakan bahawa kerajaan akan melaksanakan kajian daya maju HSR domestik.

Beliau berkata, pelaksanaan secara bersendirian akan memberikan autonomi dari segi reka bentuk projek, spesifikasi, pembiayaan, garis masa penyampaian dan pelantikan perunding atau kontraktor.

"Secara keseluruhan, pelaksanaan secara unilateral akan memudahkan cadangan langkah pengurangan kos tanpa memerlukan persefahaman dua hala.

"Kami tidak menolak kemungkinan Singapura membina aliran rel berkelajuan tinggi dari Johor Bahru di peringkat berikutnya jika laluan Kuala Lumpur-Johor Bahru diteruskan, berikutan potensi manfaat ekonominya.



Kerajaan Malaysia akan melaksanakan kajian daya maju HSR domestik.

"Namun, versi yang disemak semula mungkin dilaksanakan dalam jangka panjang. Dalam jangka terdekat ini, kami percaya projek Transit Aliran Massa (MRT) akan menjadi keutamaan kerajaan," katanya.

Goh berkata, terdapat beberapa spekulasi ciri penajajaran semula projek HSR termasuk memiliki perhubungan dengan Lapangan Terbang Antarabangsa Kuala Lumpur (KLIA) dan integrasi dengan Projek Laluan Rel Pantai Timur (ECRL).

"Kami percaya penajajaran semula dan perubahan spesifikasi mungkin menghadapi tentangan dari Singapura memandangkan kesannya terhadap cadangan nilai HSR.

"Kami berpendapat bahawa penggantian dengan perjalanan udara adalah pertimbangan utama untuk republik itu dan penajajaran semula ditambah dengan spesifikasi yang lebih rendah akan menurunkan nilai utama projek berkenaan," katanya.

Jumaat lalu, Malaysia-Singapura membatalkan projek HSR

Kami percaya penajajaran semula dan perubahan spesifikasi mungkin menghadapi tentangan dari Singapura memandangkan kesannya terhadap cadangan nilai HSR.

Jeremy Goh,
Penganalisis Hong Leong
Investment Bank

Kuala Lumpur-Singapura selepas gagal mencapai kata putus susulan tempoh penangguhan yang berakhir 31 Disember 2020.

Sementara itu, Penganalisis AmlInvestment Bank, Joshua Ng, berkata pembatalan projek HSR Kuala Lumpur-Singapura dijangka menyaksikan prospek pendapatan peserta industri berkaitan menjadi lebih lemah.

"Pertama, persekitaran pasaran pembinaan tidak begitu mewujudkan kuasa penetapan harga kerana kontraktor tempatan yang amat memerlukan projek bersaing untuk mendapatkan kontrak baharu yang terhad di pasaran.

"Kedua, peserta industri berdepan dengan kos operasi yang tinggi dan kecekapan yang lebih rendah susulan sekatan waktu bekerja akibat Perintah Kawalan Pergerakan Dipertingkatkan (PKPD) serta kepadatan jumlah pekerja di tapak projek.

"Malah mereka juga berdepan dengan perbelanjaan tambahan untuk menaik taraf asrama pekerja selaras dengan Akta Standard Minimum Perumahan, Penginapan dan Kemudahan Pekerja 1990 (Akta 446)," katanya.

Ng berkata, dengan perkembangan semasa, termasuk membabitkan fiskal, kerajaan tidak mungkin melancarkan projek infrastruktur awam baharu secara besar-besaran dalam masa terdekat.

Pemulihan ekonomi Malaysia bergantung dagangan global

Belanjawan 2021 akan mengurangkan kemerosotan ekonomi Malaysia, tetapi pemulihannya akan bergantung kepada perdagangan global, demikian menurut Moody's Analytics.

Ahli Ekonominya, Denise Cheok, berkata sekatan pergerakan di Eropah dan Amerika Syarikat (AS) mewujudkan risiko penurunan yang ketara, walaupun terdapat vaksin.

"Pengedaran vaksin akan mengambil masa dan perbelanjaan pengguna dijangka hanya akan meningkat secara beransur-ansur," katanya dalam satu nota.

Belanjawan 2021 adalah yang terbesar dalam sejarah negara, dengan sebanyak RM322.5 bilion diperuntukkan untuk tahun semasa.

Mengenai eksport negara, beliau berkata, Malaysia akan menaikkan cukai eksport ke atas minyak sawit mulai Januari 2021.

"Ini dijangka meningkatkan eksport pada Disember berikutan pembeli daripada permintaan beban hadapan India dan China," katanya.

Beliau berkata, eksport pertanian Malaysia pada November didorong oleh permintaan yang tinggi terhadap minyak sawit dan produk yang berkaitan.

Sementara itu, katanya, jualan runcit yang rendah sejak suku kedua tahun lalu, dijangka kekal berada di bawah paras sebelum pandemik COVID-19 hingga pertengahan tahun ini.

Cheok berkata, sentimen pengguna dan pelabur terjejas pada November selepas lonjakan kes COVID-19 dicatatkan yang membawa kepada Perintah Kawalan Pergerakan (PKP) separa di kebanyakan negeri.

BERNAMA

INFRASTRUCTURE

By JACK WONG

KUCHING: The federal government will commence construction works for Sarawak portion of the Pan Borneo Highway phase two project in the northern region this year.

According to Senior Works Minister Datuk Seri Fadillah Yusof, phase two of the project would stretch from Miri to Lawas, in Sarawak.

From Lawas, it will connect to Limbang, Marudi and several other areas. Phase two is expected to cover a few hundred kilometers, he said during a recent meet-and-greet state media editors here.

The Pan Borneo Highway project is the biggest and most ambitious infrastructure project in Sarawak. It is a road network on Borneo island connecting Sabah and Sarawak with Brunei and Kalimantan in Indonesia. Phase one covers 786km from Sematan in southern Sarawak to Miri.

Phase one, which costs some RM16bil, was awarded in 12 work packages, mainly to leading construction firms in Sarawak and Peninsula Malaysia on a 70:30 joint venture basis in 2016.

Updating the progress of the first phase, Fadillah said it is 51% completed, but 11% behind the scheduled target of 62%.

He expected the project to achieve 70% completion rate by 2021, the original date for full completion.

The government expected phase one pro-

Sarawak portion of Pan Borneo to start this year

Project will stretch from Miri to Lawas

ject to be completed in 2022 or early 2023.

The current overall work progress does not include the 33km Telok Melano-Sematan work package which was completed and open to traffic in early 2019. Also completed was the 43km Nyabau junction, in Bintulu, to Bakun.

Construction work for the project has been affected by the termination of the project delivery partner (PDP), Lebuhraya Borneo Utara Sdn Bhd, in 2019 by the previous Pakatan Harapan government.

The delay was further compounded by movement restrictions which came about as a result of the Covid-19 pandemic.

Restrictions in movement imposed by the government further affected the recruitment of foreign workers because the construction sector is heavily-dependent on migrant labourers.

Following the termination, the Public Works Department (JKR) took over the super-

vision of the mega project.

Fadillah said to expedite the project, a project management consultant would be appointed, probably this month. The consultant will be tasked to assist the JKR to monitor the project. The appointment is pending the final decision by the Finance Ministry.

He said the appointment of the consultant is justified because JKR Sarawak would not be able to cope with the sheer volume of work involved in order to complete the project.

On the Sabah portion of the Pan Borneo Highway project, Fadillah said progress was lagging behind by more than 30% from its original schedule.

Like the 2019 termination of Lebuhraya Borneo Utara Sdn Bhd in Sarawak as project delivery partner after the fall of the Pakatan Harapan government, the project delivery partner for the Sabah portion of Pan Borneo Highway project, Borneo Highway PDP Sdn Bhd, was also terminated in 2019.

Deputy Works Minister Datuk Eddin Syazlee Shith was reported as saying that the termination of the project delivery partner, changes to policies and re-tendering of several work packages had resulted in project delays in Sabah.

Fadillah gave the assurance that the federal government was committed to continuing implementation of the 15 work packages costing RM10.12bil under Sabah Pan Borneo portion. He said the government had also decided that his ministry, as the project owner and Sabah JKR, will ensure the project's smooth implementation.

The federal government intends to delegate power to the Sabah Industrial Development Ministry to manage the project's implementation. The ministry, together with the Finance Ministry and Economic Planning Unit, would discuss with the Sabah government to find ways to speed up the implementation of the project, and finalise its completion date.

COVER STORY

BY JOSE BARROCK
AND KAMARUL AZHAR

In his memoir, *From Third World to First, The Singapore Story 1965-2000*, Lee Kuan Yew said that before he retired in 1990, he wanted to clear the decks for his successor Goh Chok Tong. One sticky matter was the KTM railway line and land in Singapore.

Singapore wanted to move the joint Customs, Immigration and Quarantine (CIQ) checkpoint from where the KTM railway line ended in Tanjong Pagar at the southern tip of the island to Woodlands in the north and close to the Johor-Singapore Causeway.

Singapore's rationale for wanting to move the CIQ to Woodlands was for security reasons, it said, claiming that drugs and smuggled goods were being thrown out of KTM coaches along the route to Tanjong Pagar. But observers have long said that the reason was much bigger than that — it was a question of sovereignty.

The KTM railway line in Singapore and the Tanjong Pagar station, which sat on 217ha of land, is a legacy of British colonial times. This resulted in Malaysian state-owned company KTM having a 999-year lease dating from 1918. This means the lease would have only ended in 2917 — some 897 years from today!

Academic Rusdi Omar wrote in his 2014 doctoral thesis on Malaysia-Singapore relations when Tun Dr Mahathir Mohamad was prime minister that the CIQ issue, tied as it is to Malaysian ownership of railway land in Singapore, touches on the core issue of national sovereignty, especially for the island republic.

In short, Singapore could no longer accept that the 30km KTM railway track, which essentially splits Singapore into two, was in effect "owned and operated" by another country. It had no sovereignty over the land — at least until 2917.

This was one of the issues Lee wanted to resolve for his successor. Mahathir appointed then finance minister Tun Daim Zainuddin to negotiate with Lee and the two men quickly agreed to the so-called points of agreement (POA) in 1990 — coincidentally, one year before Daim himself retired as finance minister.

So, a retiring Singaporean prime minister and a retiring Malaysian finance minister worked out the POA. But it could not be executed as Mahathir said later that he wanted to revise the POA.

After much squabbling, the two sides came to an agreement 20 years later. In 2010, Singapore Premier Lee Hsien Loong (Kuan Yew's son) and Datuk Seri Najib Razak, who had just become prime minister a year earlier, negotiated for Malaysia to be given parcels of land in Marina Bay and Ophir-Rochor in return for giving up tracts of land in Tanjong Pagar, Bukit Timah and Kranji. "It [land in Marina Bay and Ophir-Rochor] is far more valuable than the land in Bukit Timah and Kranji," Najib said in 2010.

The agreement was seen as a major initiative of Najib to improve the country's relationship with the city state, which was often frosty under Mahathir. In December 2016, he further cemented ties with Singapore by signing an agreement to jointly build a high-speed rail (HSR) line that

HSR, AssetsCo AND THE ISSUE OF SOVEREIGNTY

Kuala Lumpur-Singapore High Speed Rail (HSR) alignment



connected Kuala Lumpur to Singapore at an estimated cost of RM60 billion.

The plan involved a three-tier approach. The first was at the infrastructure level, where both governments would acquire land and appoint contractors (InfraCos)

to conduct civil works in their respective territories.

Second, a jointly appointed privately financed asset company (AssetsCo) would own, operate and maintain the HSR assets such as rolling stock, signalling systems, coaches

and tracks. And third, two operators would be appointed to provide HSR services (one domestic Malaysia and the other Express KL-Singapore) by leasing trains from the AssetsCo and paying track access charges and concession fees to the InfraCos.

COVER STORY

In December 2017, SG HSR — a wholly-owned subsidiary of Singapore's Land Transport Authority — and MyHSR Corp Sdn Bhd called for a joint tender of the AssetsCo portion. Six consortia were reported to have expressed interest. They were supposed to make a formal bid in June 2018, with the winning bid announced in December that year.

However, in May 2018, Pakatan Harapan won the 14th general election in Malaysia and Najib was replaced by Mahathir as head of government. In September 2018, the tender for AssetsCo was put on hold as Mahathir wanted to review the whole project.

Malaysia had to pay Singapore US\$15 million in compensation for the delay.

Last week, the two countries issued a joint statement to announce that the agreement had been terminated because Singapore could not agree to the changes requested by Malaysia. Details were sketchy from the Malaysian side on what those changes were, but Singapore mentioned two.

The first was that Malaysia wanted the HSR to be connected to the Kuala Lumpur International Airport (KLIA), which was not part of Najib's agreement with Singapore. The second was over AssetsCo, which Singapore said was the more important reason as to why it did not agree.

Najib has been one of the harshest critics of the termination of the HSR project, claiming that Malaysia stands to lose billions of ringgit. "The cost for the HSR KL-Singapore originally was RM60 billion. We must also realise that in the first half of 2019, tourists from Singapore spent RM11.56 billion in Malaysia, or an estimated RM25 billion a year. If the HSR project can increase tourism from Singapore by 50%, the total amount that Singaporeans tourists will end up spending in Malaysia will increase to RM12.5 billion a year."

Others, such as Datuk Seri Anwar Ibrahim, have joined in the criticism, saying that the move was to facilitate the award of contracts to cronies should Malaysia still proceed with the HSR project from KL to Johor Baru.

The HSR will undoubtedly bring economic benefits, although the cost is substantial and some say not justifiable. And the jostling for contracts will be intense for sure with politically linked entities making their bids.

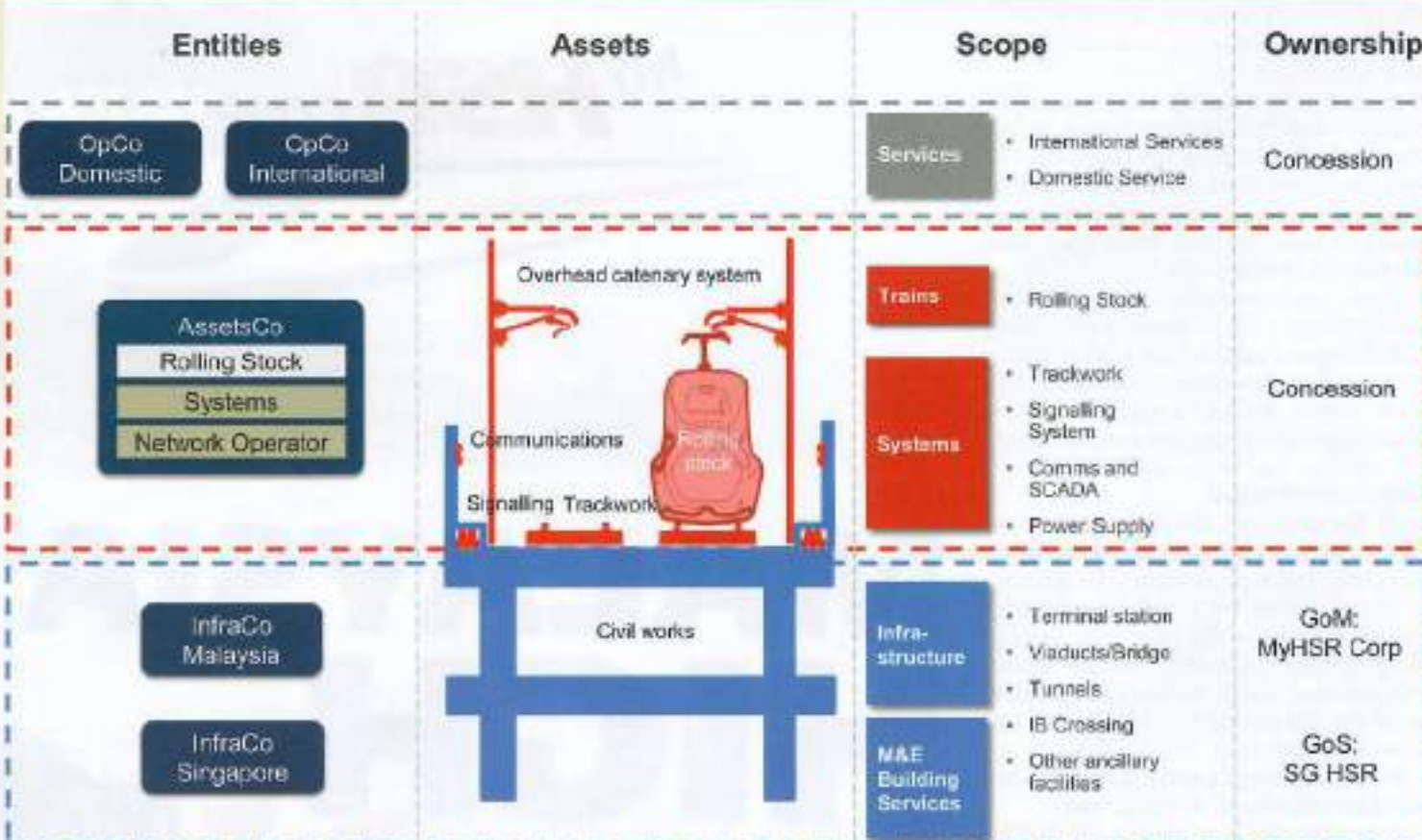
But a more, and perhaps the most, important issue that has been overlooked by many, especially critics of the decision to terminate the agreement with Singapore, is the issue of sovereignty.

Yes, the very same issue that Lee felt he had to settle before he retired. He wanted the CIQ in Tanjong Pagar, in the heart of its central business district, to be moved close to the border with Johor.

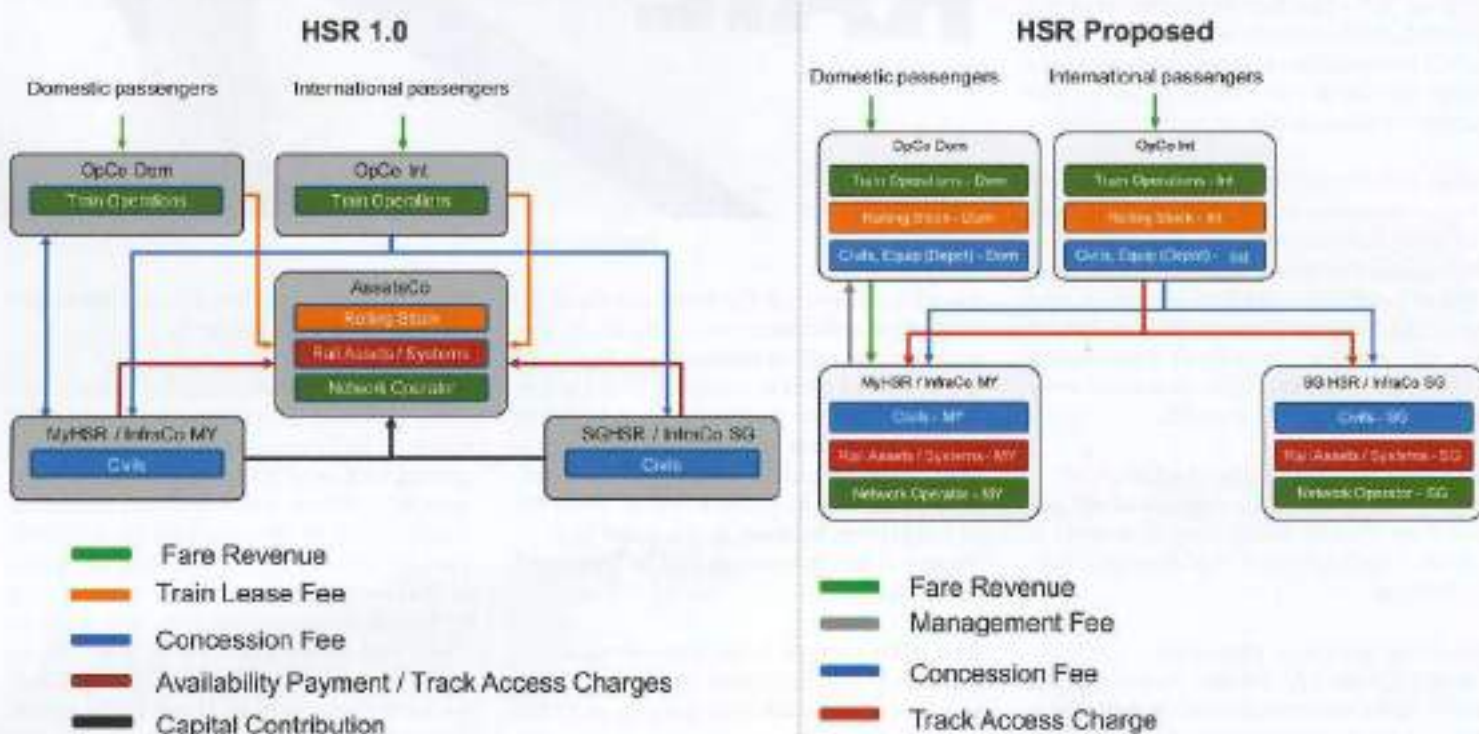
Under the agreement that Najib made for the HSR, there was to be three joint CIQ points — Kuala Lumpur, Iskandar Puteri in Johor and Jurong in Singapore. This meant that Singapore customs and immigration officers would be located on Malaysian territory at two locations. True, Malaysian officers would also be on Singapore land, but only at one location. Furthermore, Jurong is only 15km from the Johor border, whereas Kuala Lumpur (Bandar Malaysia to be precise) is 300km into Malaysian territory.

The other critical matter is AssetsCo, which would be jointly controlled by Malaysia and Singapore. This is very significant because it must be noted that while the HSR line would be 350km, only 15km

AssetsCo in the overall project structure



HSR 1.0 and HSR 2.0 project structures



of that would be in Singapore. Joint control of AssetsCo meant that Singapore would have equal say in everything, current and future, regarding the management of the HSR — 96% of which would be in Malaysian territory.

If in the future, Malaysia seeks to extend the HSR line to Penang, it would have to consult Singapore — or even need its agreement. It is also noteworthy that the AssetsCo model would incur additional costs as there would be another layer above the operating company, incurring significant costs.

Interestingly, this project would have been the maiden use of an AssetsCo model, as other high-speed rail operators merely assign portions of a track's operations to

the respective countries for them to handle, but via shared standards.

Another point of contention is Singapore's refusal for the HSR to be linked to KLIA, which would make sense for Malaysia but could adversely impact Changi Airport in the city state.

If Malaysia were to proceed on the project with Singapore, the HSR can never be connected to KLIA without Singapore agreeing to it. Malaysia would be indirectly giving up its sovereignty to develop its aviation industry and KLIA would not be able to grow. On the other hand, an HSR that takes people from Singapore to KL in 90 minutes would benefit Changi Airport at the expense of KLIA.

There was an alternative option pro-

posed to Putrajaya in 2016, and that was to build the HSR on our own to Johor Baru without having to have AssetsCo, which gives Singapore equal say. But the government opted to go with the AssetsCo structure.

The bottom line is that the agreement via the AssetsCo structure would give Singapore a strategic role in Malaysia's railway development because both countries would have equal say under the structure. It then begs the question — why did Najib agree to it? Were there other considerations?

To shed more light on what happened, *The Edge* spoke with MyHSR chairman Tan Sri Esa Mohamed. Here are excerpts from the interview.

COVER STORY

AssetsCo an insurmountable barrier

The Edge: What were the changes Malaysia was trying to make to the HSR agreement?

Tan Sri Esa Mohamed: I think as what minister Tok Pa [Minister in the Prime Minister's Department for Economic Affairs Datuk Seri Mustapa Mohamad] mentioned, there were three parameters, predicated on how Malaysia could maximise the benefit of this project.

From the experiences of other countries, projects of this nature, particularly in high-speed rail, infuse a lot of other external benefits in terms of economic development. We see this [HSR] as a very good opportunity, not just to spur development but also to ensure local participation is maximised.

Of the 350km of the HSR, we account for more than 90%. Singapore's section was about 15km. So, imagine the amount of benefits that we could create along this alignment — the transport-oriented development opportunities for all the stations, and these stations are located in all the states that the high-speed rail goes through.

So, that is one aspect, it provides this catalytic impetus in development.

The other one is, of course, the cost itself because if we tweak, for example, by adjusting the alignment, we could make a lot of savings. This is something that we studied and, of course, the possibility for us to have different models of financing, so that the government does not have to fork out 100% (for the development of the project). As it stands now, we have to provide a tremendous amount of guarantees when part of the project itself, subject to further studies, could be self-financed.

What is the cost that we are looking at? It was reported at RM60 billion. Is that the ballpark figure?

Initially, there was a figure that was banded around, that was RM120 billion, and we think we can save more than 30% of it ... for example, if you don't have to ever undertake a RM60 billion guarantee over 30 years, as what Tok Pa said.

And Singapore was opposed to this?

There was a list of changes, but we got hung up on one issue, that is AssetsCo. So, we didn't get past the AssetsCo [negotiations].

Were there a lot of changes?

There are a few key changes, and one of the major ones was the connection to KLIA. But we didn't pass the AssetsCo [renegotiating], so the rest was not discussed. But they [Singapore] knew about it [KLIA]. This was one of the red lines.

In other countries, in Europe, most countries, there is no such thing as AssetsCo. And the reason that this AssetsCo was going to limit us was that it was supposed to be an entity where the decision-making was to be by both governments. So this means we would not have any say without the inclusion of Singapore. That's to put it in a nutshell. I mean, in other countries, each country is governed and will take care of its own assets, infrastructure and operations. And they have a common standard of interoperability. So, if you are in France, you take the Eurostar and cross into Belgium, and it switches because the standards are the same. It is an international standard. But the maintenance and operations, everything is within your control.



So, why did we opt for AssetsCo then?

In the past, the focus was only KL-Singapore and the region covered by it. So, it was a very closed system covering those areas. But the current government is looking at cost reduction and integrating it with other national public transport infrastructure. It cannot be point to point, from KL to Singapore, because it is a huge sum of money. It has to leverage and be leveraged in the future.

The plan was to have two services — domestic and international. And then there was also talk of it ending at KLIA. Is that correct?

This one line would serve both express KL to Singapore and another service that would serve KL and all the other stations that we have identified. The issue with connecting to KLIA doesn't mean that the train will terminate in KLIA. It will just have a stop. But if you were on the express service to Singapore direct from KL, you would bypass KLIA. It is just a spur [line]. The express KL to Singapore can still be achieved in 90 minutes.

It will make sense to have a connection to KLIA?

Of course it will make sense. It will boost the function of KLIA as an international hub. So, I don't know why that was an issue.

So, you didn't get to discuss this KLIA spur line as negotiations got stuck at the AssetsCo stage?

At that point, yes, but we submitted [our

plans to them] and they know about it. But we didn't get past AssetsCo.

What was the argument for AssetsCo?

They claim that by using AssetsCo, they want to have commonality in terms of management of the line and to appoint AssetsCo via an international tender. It doesn't stop us from calling for an international tender of our own. But the point is that we want to structure it according to Malaysian requirements. We want to show and share as much as possible so that the understanding is there because we have been accused of not being transparent, while we were abiding by the law.

You were following the terms ...

Yes.

Compensation is part of the agreement, it cannot be disclosed. They didn't say what the compensation is, but the amount incurred, which was S\$270 million (RM822 million), this gives the wrong connotation.

What Tok Pa said is correct, it is so much less, but we cannot disclose the number. However, it is clear that land is not included in the compensation.

Do you have any idea what we are compensating them for?

Things that they cannot reuse. Things like consulting services, opex ... In a sense, that it is a fair thing to do because let's say we agree to do something and you spend money, I spend money. And then all of a sudden, I decided not to do this anymore.

So, I need to take note of what you spent that you cannot use anymore.

S\$270 million is not the compensation, it is what they have incurred. This is where the confusion is, the S\$270 million includes land, but land is not compensable. So, what is compensable is a subset of that S\$270 million, which we can't disclose. Suffice it to say it is much less than that — like what Tok Pa said.

[It is public knowledge that Singapore bought the Jurong Country Club for S\$89.8 million. No information is available on how much was paid for the nearby Raffles Country Club, which is twice the size of Jurong Country Club, but *The Edge* estimates that both acquisitions would have cost S\$250 million.]

Do you know the total they spent on land? We know the value of one parcel [Jurong Country Club, as it was reported in the media] but the others, we don't know.

What's AssetsCo all about?

AssetsCo is a private entity that is responsible for bringing all the equipment in for the HSR project. This includes the train itself, or we call it rolling stock. It also includes things like the trackworks, overhead power, catenary — these are high voltage power — as well as the communications and signalling systems. So, all this equipment is to be brought in from overseas, from either China, Japan or Europe. Some of these [works] can be done locally, especially track works, but it is

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SHAHRIAN SAMSUD/THE EDGE

AssetsCo will be the owner of the assets for the period of the concession. They will lease or rent the trains out to the OpsCo (train service company) to use, so the domestic will run the trains for the domestic service, and similarly for the international, for the express and shuttle services.

For the system itself, this is where control comes in. The system itself comprises the track and network, as well as the signalling, including operation control centre. So, this control centre will be where AssetsCo manages the train movements — which gets to move first, which path should be taken, and overtake another train. All these controls will be managed by AssetsCo for the entire line. AssetsCo is a private consortium because generally, you'll need a big consortium to bring in different components, like trains and systems, together.

AssetsCo spans across both countries and provides trains for both operators. And the responsibility to appoint AssetsCo is actually both countries'. So both countries will as equal partners jointly decide who should be AssetsCo and to manage AssetsCo on a day-to-day basis during construction and operation.

The countries' control is more in terms of regulations. However, we understand that AssetsCo has to serve the interests of its shareholders. Ultimately, that is whom they serve [their own shareholders, not the countries in this case].

Why did we sign it?

Previously, the focus was for KL-Singapore, not the whole nation. It was about the Economic Transformation Programme for that corridor. Therefore, this can be accepted. However, Singapore has always wanted to have an AssetsCo.

This is a question of sovereignty, right? It depends on how you look at it. It is very restrictive. You cannot change anything.

I remember when they shifted [Keretapi Tanah Melayu Bhd's] Tanjong Pagar sometime back, the issue of sovereignty came up, saying Malaysia was holding 217ha in Singapore.

Yes. It is a pity that we lost that [Tanjong Pagar land]. So to answer your question, this was the only model available to the government at that time, and they are willing to take it for the Singapore share of the revenue.

The 71:29 split?

That is part of the things that we cannot disclose. The operator will have to pay a concession fee to run the operating concession. AssetsCo has its own concession.

It is rather messy because we have five entities. But in a nutshell, all the revenue that comes from passengers will be used by the operator to net off all the running costs of the HSR, be it for the train rental, system usage, track usage and so on. And then, the amount that they think they can have surplus will be used as an offering to the government as a concession fee, the net of all the running costs in the HSR operations.

So, this concession fee will be used to pay both governments — as a return to them. For domestic, this fee is fully transferred to the government of Malaysia. But, for the international, there is a share split, according to the agreement.

In the new proposed structure, where

once we remove AssetsCo and each reassign the assets of AssetsCo to us, InfraCo for systems, similar to Europe, and then trains to OpsCo, then you can see that the flow is more straightforward. But the same concept will still apply because this concession fee is actually the main determinant of who we choose as OpsCo. The one we think can make the best money, run the best service and provide the highest return will then be used as determinant to decide who should be the OpsCo, and this is how we make sure we get the best of the competitions.

So, the OpsCo will manage the Malaysian side of it, and then Singapore will have a separate OpsCo?

We have two OpsCos. One domestic, managed by Malaysia, and one international, jointly managed by Malaysia and Singapore.

Are there any merits to the AssetsCo model?

In theory, the AssetsCo model could work for the project based on a dedicated line that is not connected to other rails. In practice, we don't know how it would play out.

What is the structure like in Europe?

AssetsCo (system scope) and InfraCo is one, OpsCo is separate. Only two layers. So, it means AssetsCo and InfraCo for each country, so they own it. They have it themselves, one entity. And then OpsCo, they will have domestic and international.

If you think traditionally, they have national railways. If you look at the UK, it used to be British Rail. And then they split operating and infrastructure. Infrastructure becomes Network Rail. British Rail gets broken into many operators. So then, the operators can compete, but they share the same track. Similarly, we have KTM. So, if we split KTM and run it as two separate businesses, that structure is what we will have.

The original agreement we were negotiating with Singapore is from Bandar Malaysia to Singapore, and we never got to discuss the part about KLIA at all? Yes.

But we have plans to change the alignment, even though we have never got to that level of negotiations?

The changes in alignment were driven mainly by cost savings.

Okay, and you are not at liberty to disclose the changes to the line?

On the infrastructure side, specifically the alignment, there are three key changes that constitute a major cost reduction for us.

One is the realignment on the Johor side, where we move to Ayer Hitam. Second, we are relooking at the design of the stations to be something more pragmatic for the passenger flow; so, it was no longer iconic.

So, in that sense, the station costs were also reduced substantially. The third is the use of the ERL track to enter KL as the last mile, because KL is [highly] populated. Even the MRT struggles to find a corridor, more so for the HSR. So, having an existing corridor to be used helps us to reduce a lot of our civil costs... Otherwise, going into KL will be through a tunnel.

So, our plan was to go to KLIA and then use the ERL track?

Yes, but not as reported that we would stop

in KLIA and then switch trains to get to Bandar Malaysia. From our passengers' perspective, there is no difference. You just sit on the same train all the way to Singapore.

In Batu Pahat, we moved it (the alignment), straightened it up to avoid the peat soil, and stop in Ayer Hitam. The realignment from Batu Pahat to Ayer Hitam reduces the length of the alignment, thus the cost is reduced as well.

Peat soil will be more costly, right? The earthworks?

Yes. And then, after you get to Seremban, there is a spur line that connects to KLIA, and then there is also a bypass for the express service. So, if you don't want to go to KLIA and you want to go straight to Singapore, then you just get on the international line and then bypass it.

The KLIA bypass allows us to keep to the main agreement, which is KL to Singapore in 90 minutes, that is what we are still protecting. So, we are protecting the outcome of this HSR project.

Are you going to challenge the compensation?

They haven't even submitted. But we have to verify what they claim and make sure that it is reasonable, and something that can be seen in terms of records and all that.

Do you see the figures as feasible? It cannot be even near S\$270 million.

In regard to AssetsCo, what would be the share of cost and what is the funding like?

This is a PPP (private public partnership), they invest their own capex. They would raise the funding, they would spend the money, and they would collect in the form of availability payments as well as train lease fees.

So, the government doesn't have to pay at all?

We have to give a guarantee if they don't meet the target. Like Tok Pa said, it is RM60 billion over 30 years. The RM60 billion is for the availability payment that is expected to be recovered from track access charges from the OpCos.

If I am AssetsCo, I need to raise financing. If I go to the banks, the banks will ask how sure you are of getting the money. With the government guarantee, they can borrow at a favourable rate. But, it will be on the government's contingent liabilities.

So, that means it is about RM2 billion a year, then?

Yes, for the availability payment.

And, usually, HSRs are not profitable, right?

Oh, they are — they can be, because you take the long-term view. MyHSR is part of the government. The government will have to take a bigger perspective.

Financial viability is one aspect, but [there is also] what the economic returns will be to the country. So, you have to look at both, as long as the financial viability is not too *teruk* [bad], it is still worth doing if the economic benefits are there. But, if you look at the LRT or MRT, the financial viability is challenging. But they still do it. Why? Because otherwise we will have gridlocks everywhere.

CONTINUES NEXT PAGE

COVER STORY

'We are more flexible in terms of how to raise the funds'

FROM PREVIOUS PAGE

Can you divulge what the total cost of the HSR would have been?
No.

But do you have any indication of what the total cost would be?

Under the original proposal, we have a cost for that scheme. Under the changes that we have put in, we have estimates for that cost.

How much is the difference?

Like Tok Pa mentioned, it is 30% cheaper.

And the chunk of it is because of AssetsCo?

Part of it is AssetsCo, the financing costs and the risk premiums.

It is more expensive because it was not a tried-and-tested model?

Yes, they (AssetsCo) will have to protect themselves, otherwise it is not a bankable project, because the banks will be concerned with AssetsCo's ability to repay their loan.

The bigger picture of the HSR will be for it to be connected to Penang and then all the way to Bangkok. Just for my own curiosity, that means if we did follow the AssetsCo model, Singapore would have a say to an extension to Penang, and even to Thailand?

It wasn't discussed but you can see that it is of no interest to them. But, for us to extend, we would need AssetsCo's permission. That is where the limitations are.

Were you surprised with how they (Singapore) reacted to the proposal?

Not totally. But they say that, by removing AssetsCo, to them it is a totally new project. Therefore, they don't want to talk about it. It is not this project. We were hopeful that they would agree, but they didn't.

But this is not the end of it, isn't it?

It could be revisited on a future date?
As the (Singapore Transport) minister (Ong Ye Kung) said, if we were to revisit it, it would be a new deal. This one is over as far as they are concerned. Malaysia will study all options before charting our next course. And Malaysia remains open to future connectivity to Singapore.

Did you try to speed up the process whereby we could use it for economic benefits — we tried that as well, and they opposed that as well?

No, we didn't get to that. This is another problem with AssetsCo, because we cannot get it done with AssetsCo in place. Because we will have to follow a common, pre-agreed timeline. So, AssetsCo will come in later; we cannot expedite and build ours first. We can build the civil, but there is no system. There is no system because you need to wait for AssetsCo two years later. Trains are also provided by them, so there will be just concrete. So, we might have all the infrastructure ready but there are no trains, because AssetsCo has yet to be appointed.

You called for the tender for AssetsCo, didn't you? What happened to that?

We aborted the tender.

When was it aborted?

The tender was due in December; it was aborted in September 2018.

You are quite confident that it can be done without AssetsCo?

Of course, we don't necessarily have it in

the country right now, but India is doing it for the first time, Indonesia is doing it for the first time, Morocco just did it for the first time — all without the AssetsCo model. Saudi Arabia did it for the first time without AssetsCo. Expertise can be bought to assist us in building the HSR.

So, it's right to say that maybe the whole reason for AssetsCo is for Singapore to control our railways?

There's no reason for us to call off the project if we get the best for each of the components of the system. We even had an open tender from the beginning. Why would we be all set and want to do a domestic HSR and not do an open tender? That would be the biggest tender ever.

How do you feel about the allegations thrown against MyHSR?

Unfair, to be honest, maybe the public doesn't know the details, what's going on, how the whole structure is. It's not easy for a layman to understand.

We were told that there were other options when the agreement was signed. What are the other options?

When we present to the government, we always present with options. What was clear is that one option on the table is with AssetsCo and Singapore on board. Without AssetsCo, no Singapore on board. Without Singapore, it ends in Johor.

What are the chances of that happening?

We don't know yet because we have to do a study. But when we presented back in 2016, the government of Malaysia at that point decided that, in order to get Singapore revenue, we had to do AssetsCo.

So, the revenue from Singapore is a very important aspect?

Yes, to the (Malaysian) government then.

What was the justification to get Singapore revenue?

To have Singapore on board with the project, you have to accept the AssetsCo (model). If you don't want AssetsCo, there is no Singapore. That was the condition put by Singapore. So, the justification for accepting AssetsCo was that share of total revenue.

And that comes back to the split — 71:29?

Yes. But if you think about it, after deducting the cost and then the split, the balance is not so huge, but still in the billions.

So, no matter whether the HSR goes up to Singapore or Johor, if it's not through the AssetsCo model, it means the government has to come up with the money to construct the HSR?

The systems part, yes. But then we are more flexible in terms of how to raise the funds. Take India, for instance. Japan is building the Mumbai-Ahmedabad (HSR) project. Japan is funding 80% of the cost. Why are they doing it? Because they want the Japanese system to be exported overseas.

Eighty per cent of the project at 0.1% over 50 years, with 15 years' moratorium. So, if we have AssetsCo delivering the system, then there's no country that wants to fund the civil portion. Civil is 80% of the cost... So, you have to fund it yourself.

Can you tell us how much the civil cost is for Malaysia?

We can't; it has always been in the policy, as the civil works will be open-tendered later.

There's no reason for us to call off the project if we get the best for each of the components of the system. We even had an open tender from the beginning. Why would we be all set and want to do a domestic HSR and not do an open tender? That would be the biggest tender ever."

Will the KL-Johor track be less attractive than KL-Singapore, in your opinion?

Well, this is subject to our study... Of course, we can say it is more attractive when it's connected directly to Singapore. (But) now there's also connection from JB to Singapore with the RTS. The only thing is that it's not straightforward, not direct.

Will the new terms include Singapore paying for the use of our track?

I think it depends on the negotiation at that point (in time). If you take the Euro Channel tunnel, for example, the operator of the tunnel charges the concessioner who uses the tunnel. They pay a fee; so, they probably have to pay a fee to use our track. That's quite common.

Simply put, AssetsCo is basically another layer of cost, right?

Yeah. Definitely, opex will be cheaper if it's combined, most of the scope is put into that InfraCo.

Besides the compensation, do you see any kind of legal action being taken?

That should not be [the case] because both countries have been very specific at the end of the statements that bilateral ties are strong and this should not affect that. We continue to make it stronger.

After so many delays and extensions, then it (the HSR) is terminated. It's quite an anti-climax. Why was it delayed for so long?

Because the original suspension was two years and then extended once for six months. But the key part is that we have used this time to really try our hardest to seal a deal, an agreement with Singapore. So, it's not like we lost interest on the project. It's not that we *cincal* [willy-nilly] cancelled.

When this option of requirement to have AssetsCo was presented to the government, did you raise concerns?

Of course, we advised the government with all the facts. We have highlighted that it will cost more, but what was attractive is that the government doesn't have to pay capex upfront for the systems.

In the initial part where Malaysia and Singapore agreed to do this, there were these arguments that, when it comes to an HSR between two cities, the city with the bigger economy or the bigger hub will benefit more. Is that really the case?

I can't see that because what we learnt is that it's not so much mere size but it's what you plan for your city. Studies have compared the terminating cities (where

the terminals are), but even the cities in between can benefit a lot if the plan is there to develop the surrounding areas. So, take advantage of the HSR... I think that is the key point. Even if you're in the smaller cities where the terminal is, if you plan properly, the benefits that you get might even be bigger than the bigger cities.

Is it accurate to say that the previous government made a mistake when they signed the agreement for AssetsCo?

I won't go that far because the circumstances were different at that time. The focus was different. At that point, if you look at the trajectory of growth and our ability to raise financing, it's not a problem. Looking now (in view of the Covid-19 pandemic), with what we have to spend on stimulus, on vaccines, it's a completely different scenario.

I am asking this because a harsh critic has been the former PM, Najib.

We are not saying that it was wrong. It was the right answer for that point of time.

What is the appetite for this KL-Johor line?

We feel that the overall benefit is still there, but what would be the cost? The cost is the function variability.

Without Singapore, what would the costs look like, what would be the fair projection, what would be the share that's going to be government revenue, does it justify the benefits? So, we will have to just look at the studies objectively and recommend based on the numbers.

That means the HSR in Singapore wouldn't have been profitable?

The case is different because the cost is different. With KL-Singapore, the cost at that time was high because of iconic structures, the alignment; but, with the proposed changes, the cost is much lower. In the past, it didn't quite cover 100% but, with the scaled-down cost, it could have covered almost 100%.

For the alignment decision, what were the considerations?

Multiple factors: Cost and constructability is one. The ability to create new growth areas is another. Population centres, of course, is one more. All this factors into between the two dots, where it should go. Not forgetting that each station has its own unique properties in terms of what could be developed, what kind of industries could be generated. In Melaka, it's tourism; Muar-Pagoh is all industrial parks; and in Negeri Sembilan, it's the new Vision Valley, which is being developed. Pagoh is the education hub and industry. Muar is very famous for its furniture.

Talking about high technology, you also plan for Melaka. With this fast connectivity, you could stimulate more investment, and employment and opportunities.

We see that the transportation network is a major integral part of the whole country's economic development. So, we don't look at the HSR as just the train that goes from KL to Singapore. We look at how it could integrate the whole country. We have the ECRL going right to the north.

As I said, I don't discount the fact that, if it is successful here, it can go beyond to the north; it could be part of the Singapore-China network that will connect to China, which was in the pipeline as well. It makes sense because, why not? I mean, China is a very aggressive body. ■

Revival of mega PJ highway plan on the cards

BY KANG SIEW LI

PJD Link (M) Sdn Bhd, a private construction company controlled by businessman Tan Sri Hari Narayanan Govindasamy and his family, plans to revive a multi-billion ringgit highway project across Petaling Jaya, Selangor, that was scrapped six years ago by former Selangor Menteri Besar Datuk Seri Mohamed Azmin Ali due to technical reasons.

And the company hopes to get it right this time.

PJD Link (M) executive director Amrith Hari Narayanan, who is the son of Hari Narayanan, says since September last year, the company has been soliciting public feedback and engaging with members of parliament and state assemblymen (Ahli Dewan Undangan Negeri in Malay, or ADUN) representing various areas in PJ on its plan to build the Petaling Jaya Dispersal Link (PJD Link), which follows a similar route as the controversial RM2.4 billion Kinrara Damansara Expressway (Kidex) project.

"We have given briefings and invited feedback from MPs and ADUNs for the relevant areas, as well as the Petaling Jaya City Council (MBPJ), Subang Jaya City Council (MBSJ) and the state planning departments. We have also had informal engagements with residents, and we welcome any comments and feedback from anyone potentially affected by the project," he tells *The Edge* in an interview.

Amrith is also the executive director and CEO of railway engineering firm Emrail Sdn Bhd, which was involved in the previous Kidex project. Kidex was cancelled in 2015 following the developer's failure to submit a traffic impact assessment, social impact assessment and environmental impact assessment by the stipulated deadline.

While nothing is final, an alignment of the proposed highway — linking Bandar Utama, Taman Tun Dr Ismail, PJ City Centre, Taman Dato' Harun, Taman Medan Baru, Taman Sri Manja and Bandar Kinrara to Bukit Jalil Technology Park in Kuala Lumpur — was put upon the company's website on Jan 10. "Flyers (containing information on the proposed project) will also be distributed to residents in PJ and placed in the offices of the ADUNs," says Amrith.

"The alignment is still subject to change based on our ongoing engagement with related government authorities and stakeholders," he adds.

The company aims to build a 34.3km four-lane elevated expressway along existing roads and river reserves over three years. According to Amrith, PJD Link is expected to cut travelling time between Bandar Utama and Kinrara to 15 minutes compared with about an hour by car.

On how different PJD Link is from Kidex, Amrith says: "At this stage, we are still reviewing several alignment options. All previous suggestions and feedback received in relation to Kidex has been useful in developing the current project. Based on preliminary feedback, we are looking to avoid residential areas and to reduce any need for land acquisition where possible."

What are the economic benefits?

Amrith is aware that the proposed project is a contentious one among PJ residents due to issues ranging from displacement of long-time residents and businesses, noise pollution, introduction of tolls and potential environmental and health impacts. Already, several groups — including residents of Section 14 and Section 19, PJ MP Maria Chin Abdullah and Bukit Gasing assemblyman Rajiv Rishyakaran — have come out against the revival of the project.

Still, PJD Link (M) hopes to get stakeholders' buy-in because of the economic benefits. Amrith notes that PwC, in a report in December, esti-



imated that during the development phase, PJD Link will support an average of 12,000 jobs per year. Over the same period, the total economic output impact is estimated to be RM6.5 billion.

He believes that the proposed project will help the government in stimulating the construction sector affected by the Covid-19 pandemic and the global economic slowdown as the initiative will lead to new awards of road contracts.

"It will also serve the current and future traffic needs of the PJ area and the Klang Valley North South corridor and also relieve heavy traffic on PJ's local roads," he says, adding that PJD Link will also connect to existing highways such as the New Klang Valley Expressway, SPRINT highway, Federal Highway, New Pantai Expressway, Shah Alam Expressway and Bukit Jalil Highway.

He also points out that the proposed project will be funded entirely by the private sector without any need for government funds, but he is unable to determine the construction cost until the alignment is finalised. "Like any infrastructure project, the project will be funded by way of a mixture of debt and equity."

Under this plan, PJD Link (M) as the project concessionaire will be collecting tolls over a period of time to recoup its investment. However, Amrith declines to provide an indication of how much the toll rates would be.

Companies Commission of Malaysia data shows that Noblmax Resources Sdn Bhd owns 70% of PJD Link (M), while the rest is held by PJD Link Holdings Sdn Bhd, which is majority-owned by Mansor Salleh @ Md Salleh. Noblmax Resources is owned by Hari Narayanan and his wife Puan Sri Vimala Govindasamy.

PJD Link isn't a done deal

Amrith stresses that the company has yet to receive any regulatory approvals. It would require approvals from the Malaysian Highway Authority, Selangor government and MBPJ to start construction work.

"We are currently carrying out traffic, social and environmental impact assessments, as well as engaging the public. The assessments required by the state and federal authorities will be carried out by reputable consultants with a strong track record in transportation infrastructure projects," says Amrith, adding that the company expects to complete the assessments this year.

"We will submit the relevant technical reports to the federal and state governments for their review. As part of this process, input and feedback will be obtained from relevant government departments and utility providers, as well as from any party potentially affected by the project."

The company also plans to hold a town hall meeting to hear the views of the peo-

Proposed PJD Link alignment as at Jan 10, 2021



PJD LINK (M) Sdn Bhd

Differences between PJD Link and Kidex

DESCRIPTION	PJD LINK	KIDEX
Length	34.3km (12.5km mainline & 21.8km ramps)	26.1km (14.9km mainline & 11.2km ramps)
Interchanges and Ramps	8 interchanges	7 interchanges
Toll Plazas	Jalan Harapan and Kinrara	S52 and Taman Dato' Harun
Construction period	3 years	3-4 years
Construction cost	NA	RM2.4 billion

ple on the project. However, it is unlikely to happen quickly due to the latest Movement Control Order imposed from Jan 13 to 26.

Tan Yew Leong, a resident of Section 19 in PJ, is against the revival of the highway project, noting that the new alignment is about 85% similar to that of the Kidex project that was rejected by the Selangor government in 2015.

"For us, we don't want this highway. We don't want to have dialogues with the company over the proposed project. We only ask what the Selangor government's stand is on this matter and we want a proper town hall meeting for all stakeholders to give their views," he says.

PJ MP Maria concurs, saying it is important to have a town hall meeting with all stakeholders as opponents of the PJD Link project have criticised it for the lack of transparency.

"The proposed highway cuts across mature townships in PJ and that's where I have a lot of worries because it would involve appropriation of land. For residents who have been living here for decades, even if they are compensated, where are they going to move to? This is especially so when houses are now so expensive. How much can you compensate? And how many (housing areas) can you compensate for? The project also disorients long-time businesses as they are forced to

sell their properties so that the company can build the highway," she tells *The Edge*.

"Section 14 residents, for one, are up in arms over the proposed highway. Most of them are senior citizens. Where do you want them to move to? They have been in the community for so long. So, for the sake of development, do we forgo the community?"

Maria says she has reached out to PJD Link (M) to look for alternative ways to ease traffic flow in PJ. "I think there can be other ways to ease congestion such as increasing the number of public buses, making the bus system more efficient, building more pedestrian walkways or diverting traffic (to alternative routes). Traffic congestion also only happens at specific hours during the morning rush hour and during office and school hours. It is something that they can think about."

"You are adding cost and stress (to the people) and spoiling the whole landscape of PJ by having this humongous highway," she says, pointing to the building of two toll plazas on the proposed highway — one at Jalan Harapan and another at Kinrara. "Moving forward, when we talk about climate change, the highway (PJD Link) is definitely not helpful. We have to think of other sustainable methods that are doable, [involve] less cost and are less stressful." ■

Air Selangor aims to reduce NRW by 0.5% this year

Wednesday, 03 Feb 2021



Suhaimi Kamaralzaman

KUALA LUMPUR: Pengurusan Air Selangor Sdn Bhd (Air Selangor) aims to reduce the average rate of non-revenue water (NRW) by 0.5 per cent to 28.1 per cent this year compared to 28.6 per cent last year.

Chief executive officer Suhaimi Kamaralzaman said Air Selangor had allocated RM293 million this year to achieve the objective and various initiatives would be implemented including detecting at least 78,000 cases of leaking pipes on distribution pipelines in the Active Leakage Control Program.

"Air Selangor is optimistic and will continue to actively work to lower the NRW rate this year. This initiative has proven to be successful for three consecutive years, namely a consistent reduction in the NRW rate based on a target of one per cent decrease each year.

Of the total allocation (RM293 million), we have allocated RM170 million for the critical Old Pipe Replacement Program, while RM16 million for the replacement of old and damaged meters.

"Air Selangor will establish a total of 75 District Metering Zones (DMZs) in the DMZ Establishment Program besides replacing old and obsolete pipes, especially the 150-kilometre asbestos cement type through the Old Pipe Replacement Program," he said in a virtual press conference today.

He said this year they would continue to install 1,780 sensors on the main pipes to detect transient pressure and leakage at an early stage; as well as using 3,000 Permanent Leak Noise Correlating Loggers on reticulation pipes in 60 DMZs.

He said Air Selangor has managed to record a decrease in the NRW rate of 1.1 per cent in 2020, to 28.6 per cent compared to 29.7 per cent in 2019.

"Significantly this decrease means that the loss of treated water in the distribution system has been reduced by 43 million litres per day, which is equivalent to 43 million bottles of water measuring one litre per day.

"This savings is also equivalent to the total production of one of our medium-sized treatment plants, the Wangsa Maju water treatment plant, which produces about 38 million litres a day," he said.

He said the achievement (1.1 per cent) exceeded the target of 29.2 per cent set by the National Water Services Commission (SPAN) despite facing the implementation of the Movement Control Order following the COVID-19 pandemic.

Suhaimi said Air Selangor was determined to further reduce the NRW rate to 25 per cent by 2025 and further to 15 per cent by 2049. - Bernama

CONSTRUCTION

PETALING JAYA: All eyes will be on the outlook of the local construction sector as the tabling of the 12th Malaysia Plan (12MP) hangs in the balance due to the declaration of the nationwide state of emergency until Aug 1.

In light of this, AmInvestment Bank has an "underweight" outlook for the local construction sector over the next six to 12 months.

"It has been close to a month since the suspension of Parliament following the declaration of a state of emergency nationwide.

"However, it is still unclear if the tabling of the 12MP (2021 to 2025) would be postponed to another date or the government would roll out the five-year development plan for the nation in the absence of the scrutiny by Parliament," it said in a report yesterday.

As a result of the uncertainty surrounding the 12MP, AmInvestment Bank said it is maintaining its view that the government will have very limited room for fiscal manoeuvre, given the elevated national debt that has been weighed down further by the economic impact of the pandemic, as well as the massive relief spending to cushion the economic impact of the pandemic.

"All these have culminated in Fitch Ratings' December 2020 downgrade of Malaysia's long-term foreign-currency issuer default rating to BBB+ from A-, on the heels of S&P Global Ratings' June 2020 downgrade of Malaysia's outlook to negative from stable.

"We believe the recent termination of the KL-Singapore high-speed rail project should serve as a wake-up call to the market."

Operationally, the report said construction players are subject to higher operating cost and lower efficiency due to restrictions on working hours and worker density on the site.

It noted that construction firms are also subjected to additional expenses incurred in the upgrading of dormitories for foreign workers, in compliance with the Workers' Minimum Standards of Housing and Amenities Act 1990.

The report also said construction players are further subjected to higher operating risks.

Building sector comes into focus

Much depends on the unveiling of the 12th Malaysia Plan



Cautious approach: A construction site in Kuala Lumpur. The sector is further subjected to higher operating risks. — Bloomberg

"The higher operating risk is due to the potential stop-work order or enhanced movement control order on the dormitory in the event of Covid-19 infections, shortage of foreign workers as borders remain largely closed and the policy to reduce the country's reliance on foreign workers."

Amidst the uncertainty in the rollout of public infrastructure projects locally, AmInvestment Bank said a number of players have ventured or returned to overseas markets.

"For instance, Sunway Construction in 2020 bagged two highway projects worth more than RM800mil in India on a hybrid annuity

model, while Econpile secured a US\$85.7mil (RM347.6mil) piling and substructure work subcontract for an integrated entertainment complex in Phnom Penh, Cambodia.

"Meanwhile, Gamuda has been shortlisted for two tunnelling packages of the A\$20bil (RM60bil) Sydney Metro West and the A\$2.6bil (RM7.8bil) Sydney M6 motorway in Australia."

The research house added that it may upgrade its underweight call on the sector to "neutral/overweight" if the government decides to forge ahead with the implementation of key public infrastructure projects, despite the weak fiscal position.

Lebuhraya SUKE siap 87 peratus

Kuala Lumpur: Projek Lebuhraya Bertingkat Sungai Besi-Ulu Kelang (SUKE) mencatatkan kemajuan pembinaan sebanyak 87 peratus pada akhir tahun lalu apabila pakej CB3 yang menghubungkan Jalan Taman Putra dengan Jalan Merbau berhampiran Pekan Ampang, siap sepenuhnya.

ia adalah pakej pembinaan pertama daripada lapan pakej yang siap sepenuhnya bagi projek lebuhraya itu.

Timbalan Pengurus Besar SUKE, Ir Dr Zarulazam Eusof, berkata pakej CB3 sepanjang 2.7 kilometer (km) itu membolehkan laluan di kawasan Ampang Waterfront, Bandar Baharu Ampang dan berakhir di Jalan Merbau berhampiran LRT Ampang dengan kerja pembinaannya mengambil masa empat tahun, le-

bih awal daripada jadual ditetapkan.

"Jajaran pakej ini akan membantu melancarkan aliran trafik dari kawasan sekitar Bukit Indah, Kampung Dato' Mufti, Taman Kosas dan Bandar Baru Ampang.

"Pengguna yang menghala ke pusat bandar Kuala Lumpur cuma perlu menggunakan Persimpangan Kosas atau Persimpangan Ampang seterusnya melalui Lebuhraya Bertingkat Ampang-Kuala Lumpur (AKLEH) yang akan mengambil masa sekitar lapan minit tanpa menempuh kesesakan trafik," katanya dalam kenyataan, semalam.

Selain itu, Zarulazam berkata, pembangunan projek Lebuhraya SUKE itu juga bakal memberi manfaat terutama kepada penduduk sekitar Ampang berikutan



Zarulazam Eusof

kerja menaik taraf Jalan Ampang sedia ada terletak di bawah struktur Lebuhraya SUKE.

"Jalan Ampang sebelum ini hanya mempunyai dua lorong kini dilebarkan kepada tiga lorong setiap hala.

"Menerusi penambahbaikan ini, pengguna di Jalan Ampang akan mendapat jalan yang lebih

selesa, lancar dan percuma," katanya.

Pembinaan Lebuhraya SUKE sepanjang 24.4 km itu bermula pada 29 Ogos 2016 dan apabila siap sepenuhnya ia akan mengurangkan kesesakan lalu lintas sekurang-kurangnya sebanyak 30 peratus di Lebuhraya Lingkaran Tengah 2 (MRR2) dan kawasan kepadatan tinggi sekitar Cheras, Pandan Indah dan Ampang.

Lebuhraya SUKE yang bermula di Sri Petaling dan berakhir di Ulu Kelang di Jalan Lingkaran Tengah 2 (MRR2) itu akan mempunyai sambungan terus dari lebuhraya ke lebuhraya dengan menghubungkan secara terus beberapa lebuhraya utama dalam bandar seperti DUKE, AKLEH, Lebuhraya KL-Seremban, Lebuhraya Cheras-Kajang, Lebuhraya BESRAYA dan Lebuhraya KESAS.

Sultan Ibrahim: Johor solar project largest in region

By YEE XIANG YUN
newsdesk@thestar.com.my

JOHOR BARU: Johor will soon become a major producer of environmentally-friendly energy with the opening of a RM1.4bil solar power plant in Pengerang.

Johor Ruler Sultan Ibrahim Ibni Almarhum Sultan Iskandar, who made the announcement via his

Facebook page yesterday, said the project would be the biggest of its kind in South-East Asia with a combined installed capacity of 450 megawatts.

Sultan Ibrahim said the project, to be called the Sultan Ibrahim Solar Park, would have a healthy economic spillover effect for the people in the form of job opportunities at various levels.

"With this exciting project, Johor will make a quantum leap into the world of renewable and sustainable clean energy.

"This project will also mark the state's first major foray into large-scale sustainable energy to foster green economies and a cleaner environment.

"Johor is one of the states blessed with high sun hours. It is time that

we tapped into this resource to boost our power generating capacity and contribute to the production of renewable energy," he said.

According to Sultan Ibrahim, the project is the state's first major private investment project for 2021 and the result of the Ruler's continued efforts to woo investors and spur Johor's economic growth for the benefit of the people.

Sultan Ibrahim is expected to officiate the official ground-breaking ceremony at the project site in Pengerang on March 23.

The project is also in line with the 2030 Johor Sustainable Development Plan which places major emphasis on environmental preservation and protection as part of the state's economic development plan for a more prosperous society.



Comment
WONG CHUN WAI

Coronation Square is Johor Baru's KLCC

IT'S hard not to miss the striking 35-storey Bank Rakyat Tower that is taking shape in the skyline of Johor Baru.

The imposing building is a part of Coronation Square, a lead project of the prestigious Ibrahim International Business District (IIBD) of Johor Baru.

The tower is almost 75% completed and will be fully done by the end of the year.

There is plenty of buzz on the progress of Coronation Square, as it is linked to the Rapid Transit System (RTS) that will take commuters to Singapore in just five minutes.

For pedestrians, the development provides sheltered aerial walkways linked directly to both RTS and the Immigration Complex in JB Sentral, which is a 20-minute walk.

The city's transformation plan would no doubt have an impact on the property scene in JB.

Coronation Square, which was launched by the Sultan of Johor, Sultan Ibrahim ibni Almarhum Sultan Iskandar in 2015, is a mixed integrated development, comprising a retail shopping mall and six high-rise towers (two blocks of high-rise serviced apartments, two office towers, a hotel and medical suites).

According to Johor Corporation (JCorp), the medical suites will be managed by JCorp and KPJ Healthcare Bhd.

Besides offering modern medical services, where there will be "traditional and alternative treatments like Ayurveda and acupuncture by international brand operators, apart from providing various health-care facilities".

The target market for the medical suites will comprise locals and Asean nationalities, particularly from Singapore and Indonesia, and those from the Middle East, as well as China, South Korea and Japan.

It's no secret that His Majesty keeps a tab on



Ambitious project: The construction site for the Johor Baru-Singapore RTS Link Project's Bukit Chagar station. There is plenty of buzz on the progress of Coronation Square, as it is linked to the RTS that will take commuters to Singapore in just five minutes.

the progress of the Ibrahim International Business District (IIBD).

The retail shopping mall has seven levels of retail space of approximately 1.2 million sq ft. The entire development spans seven years from 2017-2023.

According to an urban planner, an intricate network of flyovers will bring vehicular traffic from Jalan Tebrau and Jalan Tun Abdul Razak at a number of levels and link straight

into the Coronation Square development and off to Jalan Abdullah Ibrahim or Jalan Trus and the surrounding highway system.

"These linkages, which are part of the transformation of JB, will bring plenty of positive changes to the city," he said.

As a regular visitor to JB, I always found JB having a bland personality and we can't help but to make comparisons to the vibrancy across the Causeway.

A classic case of so near and yet so far

The JB city folks deserve to enjoy urban renewal on a scale that re-focuses on the city centre and polarises property values in the same way that the KLCC did for Kuala Lumpur from 1997 onwards.

Right now, the area covered by the IIBD is bordered by Jalan Ayer Molek, Jalan Tun Sri Lanang, Jalan Tun Abdul Razak and Jalan Sultan Ibrahim, and it is hardly providing a metropolitan, high-end look and feel.

The transformation plan, which is jointly developed by JCorp and the state government, aims to turn JB into a "metropolis of international standard."

It covers 250 acres (101.17ha) within the JB city centre.

For the last four years, Malaysian developer Coronade Properties Sdn Bhd has been quietly working on the RM4.5bil project to capitalise on the enormous impact of this truly game-changing infrastructure, which will join Orchard Road in Singapore to JB by a journey of less than 35 minutes.

Coronade's spokesperson said: "We had to engage in a lot of futureology to see how we could shape Coronation Square into a unique and integrated development, where the needs of tenants and visitors converge in a safe and enjoyable environment."

One thing is certain - there is plenty of excitement ahead for JB and an urban facelift is long overdue.

JB needs a KLCC of its own and it may have the answer.

Datuk Seri Wong Chun Wai is an award-winning veteran journalist. Views expressed here are the writer's own.

HSR: Malaysia pays RM320 mil as compensation to Singapore

THE EDGE - March 29, 2021

KUALA LUMPUR (March 29): Malaysia has paid SG\$102.8 million (RM320.27 million) to Singapore for costs incurred for the development of the Kuala Lumpur-Singapore High-Speed Rail (HSR) project, and in relation to the extension of its suspension.

The two countries reached an amicable agreement on the amount, following a verification process by the Malaysian government.

This amount represents a full and final settlement in relation to the termination of the Bilateral Agreement on the HSR project on Dec 31, 2020, Malaysia's Minister in the Prime Minister's Department (Economy) and Singapore's Minister for Transport said in a joint statement here today.

Both countries remain committed to maintaining good relations and fostering close cooperation for the mutual benefit of the peoples of the two countries, the statement said.

Meanwhile, responding to media queries on the difference between the S\$270 million that Singapore has spent on the project and the amount that Malaysia has compensated, the republic's Ministry for Transport said the S\$270 million includes land acquisition cost.

The ministry noted that the Singapore government can recover value from the land it acquired, thus it is not seeking compensation for it.

"For example, one piece of land acquired will be used to develop the Integrated Train Testing Centre, which broke ground recently," explained the ministry's spokesperson.

For the final compensation amount of S\$102 million, the ministry said the bulk of it was computed and determined when the republic acceded to Malaysia's request to suspend the project, and was stipulated in the HSR agreements.

On Jan 4, the republic's Minister for Transport Ong Ye Kung said the termination compensation involving the HSR project would include various abortive costs, but not land acquisition costs since the value of the land could be recovered.

He said Singapore had spent more than S\$270 million on the project.

"Some of these costs, such as for consultancy services, design of infrastructure, and manpower to deliver the project, are abortive costs if the project does not proceed," he said in Parliament.

'CONSTRUCTION SECTOR TO DRIVE GROWTH'

Boost seen from potential rollout of MRT3 packages, expansionary 2021 Budget

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THE construction sector is poised for an upcycle due to the potential revival of the Mass Rapid Transit 3 (MRT3) project and the expansionary 2021 Budget.

Some analysts expect the sector's contribution to the gross domestic product (GDP) growth to hit 15 per cent this year, reversing last year's 20 per cent contraction.

"We expect the impending rollout of MRT3 packages in the second half of this year to catalyse the construction sector by lifting market sentiments in terms of higher order book replenishment

prospects and earnings recovery momentum for construction players under our coverage," it said in a report.

With the government prioritising development expenditure on high impact projects, MIDF Research said it expected a 14.9 per cent increase year-on-year for the construction sector's GDP contribution this year.

MIDF Research maintained its "positive" call on the sector and named Gamuda Bhd as the major early beneficiary.

This is premised on the MMC-Gamuda consortium being the turnkey contractor or project delivery partner (PDP).

MIDF Research said Gamuda would also likely be the contractor for the tunnel works, given its



Gamuda Bhd is likely to be a big beneficiary from the revival of the Mass Rapid Transit 3 (MRT3) project given its experience in both the MRT1 and MRT2 projects, says MIDF Research

experience in both the MRT1 and MRT2 projects.

Other beneficiaries included IJM Corporation Bhd, Sunway Construction Group Bhd, WCT Holdings Bhd, Gabungan AQRS Bhd, Malaysian Resources Corporation Bhd and Malayan Cement Bhd.

Public Investment Bank Bhd (PublicInvest) said MRT3 would have an immediate impact on the economy as it was a shovel-ready project, assuming the government proceeded with MMC-Gamuda as turnkey contractor.

"As this project is expected to kick off in second half of this year, we believe the government will proceed with either a PDP or turnkey contract model.

"But reverting to the PDP model is unlikely, given constraints on the government's funding as PDP fees will result in additional costs.

"Though it is reported that the PDP model is being explored to minimise execution risks, we think this could potentially be offset by the experience of contractors with good track records

previously involved in the MRT1 and MRT2 projects," it added.

PublicInvest maintained its "neutral" call on the sector.

Bursa Malaysia's construction index closed 1.16 points, or 0.62 per cent, lower at 185.26 points yesterday.

The index's most active counters were Widad Group Bhd, which shed 2.5 sen, or 4.81 per cent, at 49.5 sen, Ekovest Bhd, which eased one sen, or 1.98 per cent, at 49.5 sen and Zelan Bhd, which closed 0.05 sen, or four per cent, lower at 12 sen.

Jajaran Utara ECRL ke laluan asal

Seksyen C babit Mentakab ke Pelabuhan Klang ditambah baik

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Putrajaya: Jajaran Utara atau Seksyen C Projek Laluan Rel Pantai Timur (ECRL) dari Mentakab ke Pelabuhan Klang akan ditambah baik dan diujikan semula ke laluan asal seperti dicadangkan pada 2016-2017 dengan kos anggaran pembinaan RM50 bilion.

Menteri Pengangkutan, Datuk Seri Dr Wee Ka Siong, berkata jajaran baharu dikenali ECRL 3.0 itu dilaksanakan selepas mengambil kira hasil perbincangan dan permuafakatan dengan pihak

berkepentingan terbabit dengan projek ECRL seperti kerajaan negeri, agensi kerajaan persekutuan dan negeri, pihak berkuasa tempatan serta pemain industri.

"Jajaran asal Seksyen C ini yang juga dikenali sebagai Jajaran Utara, akan membabitkan laluan ECRL dari Mentakab ke Pelabuhan Klang melalui Bentong, Gombak dan Serendah berbanding Jajaran Selatan yang melalui Negeri Sembilan.

"MOT sebagai pihak dipertanggungjawabkan menyelia pelaksanaan ECRL, mendapati Jajaran Utara akan meningkatkan kebolehmampuan projek ECRL dan seterusnya memberi lebih manfaat kepada ekonomi, alam sekitar dan sosial," katanya pada sidang media di Kementerian Pengangkutan, di Putrajaya semalam.

Yang turut hadir, Ketua Setiausaha Kementerian Pengangkutan, Datuk Isham Ishak dan Ketua Pegawai Eksekutif Malaysia

Rail Link Sdn Bhd, Datuk Seri Darwis Abdul Razak.

Mesyuarat jemaah menteri pada 2 September 2020 sudah meluluskan jajaran terbabit dan pada 31 Mac lalu, status kemajuan projek ECRL dimaklumkan kepada jemaah menteri dan Kabinet mahu pelaksanaan Seksyen C ECRL dilaksanakan serta-merta.

Jajaran Seksyen C ECRL 3.0 dianggarkan merangkumi 201 kilometer (km), termasuk 32.4km jajaran sisi berbanding jajaran sebelum ini 185.5km (termasuk 41.5km jajaran sisi). Ia menjadikan keseluruhan jajaran dari Kota Bharu ke Pelabuhan Klang dengan perubahan terkini adalah sepanjang 665km.

Jajaran Utara akan membabitkan pembinaan tujuh stesen dalam jangka masa panjang, de-

ngan lima stesen akan dibina pada peringkat awal iaitu stesen Temerloh, Bentong, ITT Gombak, Serendah Baru dan Jalan Kastam (Pelabuhan Klang). Dua stesen lagi iaitu Puncak Alam dan Kapar di Selangor ditetapkan sebagai stesen perancangan masa hadapan.

Daripada jumlah itu, empat stesen adalah stesen penumpang dan kargo, manakala ITT Gombak ditetapkan sebagai stesen penumpang.

"Kita sedia maklum bahawa unjuran pendapatan untuk ECRL adalah daripada perkhidmatan kargo. Justeru, Jajaran Utara ECRL akan ditambah baik kebolehmampuannya dengan memasukkan cadangan infrastruktur projek Serendah Bypass sebagai sebahagian dari-

pada jajaran dan skop projek ECRL," katanya.

Sementara itu, beliau berkata, kos RM50 bilion untuk pembinaan mengikut jajaran asal adalah lebih rendah berbanding kos asal pembinaan Fasa 1 dan Fasa 2 ketika projek infrastruktur mega itu dilancarkan pada 2017.

Anggaran kos itu juga lebih rendah berbanding anggaran kos pembinaan ECRL 2.0 dicadangkan kerajaan Pakatan Harapan (PH) melalui Jajaran Selatan jika disertakan dengan pelaksanaan berasingan pembinaan Serendah Bypass, iaitu RM52.28 bilion.

Sebelum ini kos pembinaan ECRL 2.0 adalah sekitar RM44 bilion tidak termasuk kuantiti peruntukan dan kos pengabaian ECRL 1.0, manakala anggaran kos Serendah Bypass RM5 bilion.

Beliau menjelaskan, Serendah Bypass bakal dapat menarik lebih muatan kargo untuk ECRL dan apabila beroperasi kelak akan menawarkan perkhidmatan kargo dari negeri di Pantai Timur dan laluan KTMB sedia ada.

"Melalui projek Serendah Bypass yang kini dimasukkan ke dalam Jajaran Utara ECRL, masalah kesesakan servis kargo dihadapi KTMB melintasi Kuala Lumpur juga dapat diselesaikan.

"Walaupun pelaksanaan ECRL diubah kepada jajaran asal, iaitu Jajaran Utara, projek ECRL secara keseluruhan masih boleh diatapkan dalam masa tujuh tahun dan mula beroperasi pada 2027," katanya.

Ketika ini, pembinaan ECRL sedang berjalan pada tahap membebankan, iaitu 21.39 peratus setakat Mac 2021.

Kerja pembinaan sedang rancak dijalankan dan bertumpu di Seksyen A (Kota Bharu-Dungun) dan Seksyen B (Dungun-Mentakab).

Anggaran penggunaan penumpang ECRL 3.0 adalah 5.03 juta penumpang menjelang 2027, manakala anggaran penggunaan kargo pada 26.12 juta tan.

Ditanya adakah negara beriya menanggung kos pembinaan ECRL ketika ini, Ka Siong berkata, projek itu distrukturkan sebagai pelaburan domestik yang dibiayai pinjaman mudah dari China melalui Export-Import Bank of China (EXIM) sebanyak 85 peratus, manakala selebihnya melalui penerbitan sukuk.

"Hanya RM2.5 bilion dibiayai kerajaan dan sudah mendapat kelulusan Kementerian Kewangan dalam tempoh enam tahun akan datang.

"Namun, jumlah ini tidak seharusnya perlu dibayar ketika ini, mungkin akhir nanti baru dibayar.

"Projek ECRL mempunyai pembiayaan dari EXIM China dan sukuk. Ini adalah terma pembiayaan daripada awal projek ini diperkenalkan lagi," katanya.



Dr Wee Ka Siong

JAJARAN BAHARU ECRL

Projek ECRL

- Pemilik projek, aset: Malaysia Rail Link Sdn Bhd (MRL) syarikat tujuan khas (SPV) milik Kementerian Kewangan Diperbadankan.
- Kontraktor kejuruteraan, pemerolehan, pembinaan, pelaksanaan: China Communications Construction Company Ltd (CCCC)
- Nilai projek: Anggaran RM60 bilion
- Panjang laluan, jumlah stesen: 665km, 20 stesen termasuk 2 stesen masa hadapan
- Gerabak, tempoh perjalanan: 6 gerabak setiap set keretapi. Impoh perjalanan dianggarkan 4 jam dari Kota Bharu-ITT Gombak.
- Kelajuan: 160 kilometer sejam (km/j) keretapi penumpang, 80 km/j keretapi kargo

Kronologi ECRL

- **21 Oktober 2016:** Projek diluluskan Kabinet.
- **1 November 2016:** CCCC dianugerah kontrak bina landasan 680km hubungan Pelabuhan Klang, Selangor-Pengkalan Kubor, Kelantan.
- **3 Mei 2017:** Tambahan peruntukan RM1.28 bilion bagi lanjutan jajaran dari Wakaf Bharu-Pengkalan Kubor.
- **13 Mei 2017:** Malaysia, CCCC tandatangan perjanjian tambahan untuk fasa kedua projek ECRL bernilai RM9 bilion.
- **9 Ogos 2017:** Pembinaan projek dimulakan.
- **23 Ogos 2017:** Kabinet lulus projek



- naik taraf ECRL kepada projek landasan berkembar, perbelanjaan tambahan RM10.5 bilion.
- **3 Julai 2018:** Malaysia Rail Link Sdn Bhd arah CCCC hentikan kerja pembinaan yang sudah siap 15 peratus.
- **20 Mac 2019:** Perdana Menteri, Tun Dr Mahathir Mohamad berkata ECRL akan diteruskan pada skala yang sesuai apabila rundingan semula dengan China dimuktamadkan.
- **22 Mac 2019:** Pengerusi Majlis Penasihat Kerajaan, Tun Daim Zairuddin berkata Malaysia dijangka muktamad perjanjian ECRL pada awal April dengan perjanjian kos

- lebih RM10 bilion.
- **2 April 2019:** China jemput Malaysia ke Beijing untuk kemas kini status rundingan projek.
- **6 April 2019:** Menteri Pengangkutan, Anthony Loke sahkan jajaran ECRL akan diubah, beri manfaat kepada Negeri Sembilan sekiranya ia diteruskan selepas rundingan dengan China.
- **12 April 2019:** Kerajaan umum akan sambung semula projek selepas perjanjian tambahan di antara MRL, CCCC.
- **25 Julai 2019:** Projek disambung semula selepas 9 bulan tertangguh dengan kos RM44 bilion. Jajaran

- 640km dengan 417km atau 65.2 peratus alami perubahan.
- **18 Mac 2020:** Perdana Menteri, Tan Sri Muhyiddin Yassin jamin ECRL akan diteruskan.
- **Julai 2020:** Kerajaan bincang penajajaran semula ECRL.
- **2 September 2020:** Jemaah Menteri luluskan penajajaran semula ECRL.
- **31 Mac 2021:** Jemaah menteri dimaklumkan status kemajuan ECRL dilaksanakan serta-merta.
- **5 April 2021:** Menteri Pengangkutan, Datuk Seri Dr Wee Ka Siong umum penajajaran semula ECRL secara rasmi.

Ministries holding discussions over management of highways

KUALA LUMPUR: The Works Ministry is assessing proposals from some highway concessionaires on a possible restructuring of intra-city highways without burdening the users.

Senior Works Minister Datuk Seri Fadillah Yusof said it was discussing with the Finance Ministry on managing the country's existing and new highways.

Once finalised, the proposals would be submitted to the Cabinet for approval, said Fadillah at a media session yesterday.

"PLUS Malaysia Bhd is under the Finance Ministry. The Works Ministry looks after other highways, especially intra-city highways," said Fadillah when asked about the toll restructuring proposal involving PLUS Malaysia.

He added that the ministry had received proposals from some highway concession companies on "similar concept but better proposals than PLUS".

Fadillah said the proposals came from, among others, Gamuda Bhd and Projek Lintasan

Kota Holdings Sdn Bhd (Prolintas).

Gamuda has either majority or significant stakes in four intra-city expressways, namely LDP (Lebuhraya Damansara-Puchong), KESAS (Shah Alam Expressway), Sprint and Smart.

Prolintas, which is owned by Permodalan Nasional Bhd, owns and operates several highways such as the Ampang-Kuala Lumpur Elevated Highway, Guthrie Corridor Expressway and the Damansara-Shah Alam Ele-

vated Highway.

Fadillah said taking over highways and terminating toll rates would pose a financial burden on the government and the Public Works Department particularly as it was responsible for maintaining federal roads.

One possible solution is to offer intra-city highway concessionaires a fixed rate and an extension to the concession period in return for not raising toll rates as stipulated in the concession agreements.

Fadillah also provided an update on major road and highway projects such as the 306.4km Central Spine Road (CSR) and Pan-Borneo Highway.

The RM7.5 billion CSR, which links Bentong in Pahang to Kuala Krai in Kelantan, has seen 66.53km completed, with 106.77km under construction.

For the RM27 billion Pan-Borneo Highway, Fadillah said 62 per cent of works in Sarawak had been completed while for Sabah, it was 49 per cent.

BRT Iskandar Malaysia pelengkap jaringan RTS

Pemangkin pembaharuan pengangkutan awam di Johor

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Iskandar Puteri: Kerajaan negeri yakin Bas Rapid Transit (BRT) Iskandar Malaysia mampu menjadi pemangkin pembaharuan

pengangkutan awam di Johor, sekali gus meningkatkan kadar penggunaan pengangkutan berkenaan dalam kalangan masyarakat.

Is berikutan sistem yang sedang dalam tempoh percubaan selama tiga bulan itu mempunyai kelebihan seperti ketepatan jadual perjalanan, keselesaan pengangkutan dan menggunakan teknologi hijau.

Menteri Besar, Datuk Hasni Mohammad, berkata BRT berkenaan yang beroperasi pada 2023 juga menjadi pelengkap jaringan Sistem Rapid Transit (RTS) dari



Hasni (tengah) pada majlis pelancaran ujian rintis BRT Iskandar Malaysia di Iskandar Puteri, Johor Bahru, semalam. (Foto BERNAMA)

Bukit Chagar, dekat sini ke Woodlands, Singapura yang akan beroperasi akhir 2026.

"Saya yakin BRT Iskandar Malaysia berada di landasan yang tepat.

"Apabila kita mempunyai RTS, ia bukan hanya dapat menyelesaikan kesesakan di Tambak Johor kerana ada laluan kedua, tetapi ia dapat memberi peluang RTS membawa 10,000 penumpang setiap jam.

"Sebab itu sistem BRT menjadikan operasi RTS lebih berkesan dan bermakna kepada pengguna atau penduduk kawasan Johor Bahru dan negeri lain amnya," katanya pada sidang media selepas pelancaran ujian rin-

tis BRT Iskandar Malaysia, di sini, semalam.

BRT dijangka mempunyai liputan rangkaian sepanjang 2,051 kilometer (km) termasuk 63km (Trunk Line), 1,247km (Direct Line) dan 741km (Feeder Line), membabitkan pelbagai laluan.

Tiga laluan utamanya membabitkan kawasan Iskandar Puteri, Skudai dan Tebrau dengan 33 stesen serta sebuah terminal utama, dijangka mula dibina menjelang akhir tahun ini.

Hasni berkata, pengangkutan awam sedia ada perlu dibuat penambahbaikan dari beberapa sudut bagi menarik minat masyarakat menggunakan perkhidmatan itu.

Beliau berkata, antaranya ketepatan jadual perjalanan bas sampai ke stesen, keselamatan, jenis pengangkutan dan jumlah tambang.

"Sama ada bas Muafakat ataupun pengangkutan awam yang ada, kita tahu banyak ruang untuk penambahbaikan.

"Perkara berkenaan dalam pertimbangan dan perancangan apabila BRT Iskandar Malaysia dibangunkan," katanya.

Sementara itu, Ismail berkata, menjelang 2025, rangkaian liputan pengangkutan BRT itu akan dipertingkatkan daripada 39 peratus kepada 90 peratus kawasan pembangunan ekonomi Iskandar Malaysia.

'Rail industry needs more talents'

Wee: Govt to develop local expertise by enabling technology transfer opportunities

By RAHIMY RAHIM

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KUALA LUMPUR: The country needs more homegrown talent to support the rapid development of the railway sector following government approval for seven projects that will add another 1,030km of tracks to the network, says Transport Minister Datuk Seri Dr Wee Ka Siong (zic).

The rapid growth of rail transport required a high number of experts, consisting of nearly 100,000 professionals, skilled and semi-skilled talents, he said.

"This is the cumulative estimate by rail operators as well as contractors involved in rail projects, consisting of planning, construction, up to the operations and maintenance phases," he said in his speech at the launch of Rail Industry Development

Programme (RIDP) under the Strategic Industries and High Performance SME Improvement Programme (Prestige) here yesterday.

The event was attended by Entrepreneur Development and Cooperatives Minister Datuk Seri Dr Wan Junaidi Tuanku Jaafar.

Dr Wee admitted that most local companies were still lacking in technical skills and funding in order to be involved in the rail sector, as it required high levels of investment and technological capabilities.

"Supply and maintenance contracts are dominated by companies from China, Siemens from Germany, Hitachi from Japan, and Bombardier from Canada," he said.

"Realising the importance of rail development, the Transport



Ministry has partnered with the Technology Depository Agency to conduct vendor development programmes for industry players.

"In an effort to develop this rail industry holistically, the Transport Ministry had established the National Railway Centre of Excellence (NRCOE), which serves as an integrated rail industry development centre.

"In this regard, the NRCOE will focus on developing the capacity and capability of local rail industry players under RIDP.

"Under RIDP, local industry players will be identified according to their respective expertise and technology transfer opportunities from original equipment manufacturers and will be matched with anchor

companies to ensure local companies have the opportunity to increase capacity and capability so that they will stay viable and competitive," added Dr Wee.

He said the government would continue to provide support and guidance to local industry players that wished to strive to increase their expertise and capacity.

"Under Prestige and RIDP, companies will be told how to increase their capacity and marketability, and increase the percentage of local content to at least 45% for some of the components, by 2030.

"I was told that eight companies have been selected for this programme, namely EMIR Cool Asia Sdn Bhd, RSC Sdn Bhd, ATIQS Sdn Bhd, KTK-DOM Sdn Bhd, Malnaga Sdn Bhd, Majestic Engineering Sdn Bhd, Innoglass Sdn Bhd and Interfleet Rail Engineering Sdn Bhd.

"Selected companies will undergo an international accreditation programme, which is the International Railway Industry Standard, so that they are eligible to participate in local rail projects and compete internationally.

"This is the first-ever certification programme held for the rail industry in Malaysia," said Dr Wee, who added that further boost came from the matching grant provided by SME Corp, an agency under the Entrepreneur Development and Cooperatives Ministry, to help these companies upgrade their capacity so that they could produce higher quality rail products.

"Companies will also undergo the Professional Training Programme (Safety Rail & Sustainable Rail) and be assisted in a more structured and targeted industrial capacity building programme," he added.

Date : April, 22nd 2021
Publication : MALAY MAIL
Section : Corporate
Headline : HSS Engineers secures RM144.9m phase one Pan Borneo Highway contract from govt

KUALA LUMPUR, April 22 — HSS Engineers Bhd's (HEB) associate company HSS Integrated Sdn Bhd (HSSI) has been awarded by the government a project management consultant project for phase one of Sabah's Pan Borneo Highway worth RM144.9 million.

In a filing with Bursa Malaysia today, HEB said the 63-month contract, which commenced on April 1, 2021, includes administration as well as management supervision of the project.

"Pursuant to the exclusive teaming arrangement between HSSI and HSS Engineering Sdn Bhd (HSSE), a wholly-owned subsidiary of HEB, HSSI and HSSE will be collaborating to execute and complete the contract," it said.

HEB said the contract is expected to contribute positively to the revenue, earnings and net assets of the group for the financial years ending December 31, 2021 to December 31, 2026. — Bernama

To recap, it acquired three parcels of prime

HSS poised to gain from reactivation of mega jobs

PETALING JAYA: HSS Engineers Bhd (HSS) has a robust contract outlook as it can benefit from the reactivation of mega projects.

The company is in a sweet spot to ride the construction sector's recovery cycle, according to CGS-CIMB Research.

It also expected this to take off from the second half of the year 2021.

"We forecast normalised total job wins of RM150mil per year from the financial year 2021 (FY21) to FY23. This is compared with RM27.3mil in FY20 due to Covid-19 and lockdowns," the research house said in its latest report.

CGS-CIMB Research also noted that HSS' shares have an attractive risk to reward ratio.

The key potential contracts that could be secured by HSS included the MRT3, the Penang South Islands project and port infra-

structure as well as water projects, it said.

"Given HSS's long-standing industry track record, we believe the group will be able to tap both the private and public sectors for projects, with upside from its strategy to secure new domestic recurring income and overseas jobs," said CGS-CIMB Research.

"We like HSS's multi-disciplined electrical power management system business model as it enables the group to operate in various sub-sectors.

"In our view, this is even more of an advantage as the government executes its post-pandemic economic recovery strategies, especially the resumption of infrastructure projects," it added.

This could potentially lead to a substantial improvement in order book growth prospects,

said CGS-CIMB.

The research house has initiated coverage on HSS with an "add" rating with a target price of 89 sen per share and it is pegged to a 2022 forecast target price to earnings ratio (PER) of 27.4 times.

This valuation is within the range of -1 standard deviation from its five-year mean price to earnings ratio of 44 times and comparable with its larger and more established global peers PER range of 22 times to 30 times.

"We feel this is justified in view of the construction sector's turnaround prospects, the potential rollout of new infrastructure projects, HSS's dominant position in the domestic EPMS space, and robust three-year earnings per share compounded annual growth rate of 31.8%," CGS-CIMB said.

HSS Engineers bullish on securing more projects

By THOMAS HUONG
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KUALA LUMPUR: Engineering and project management consultant HSS Engineers Bhd is bullish on its growth prospects this year, on the back of new contract wins and the anticipated roll out of new contracts for ongoing mega infrastructure projects in the second half of the year.

HSS Engineers executive vice chairman Tan Sri Kuna Sittampalam noted that as of June 4, the group secured RM185.8mil of new orders compared with RM34mil in 2020.

"We are very bullish, and 2021 looks very promising. Given our longstanding industry track record, we think we are able to secure more projects in the second half of 2021.

"The government has announced the rolling out of mega projects in the second half, and this could lead to a substantial increase in our order book," he said in an online media briefing after the group's AGM yesterday.

In a statement, the group pointed out that its current order book is over RM600mil, which will sustain its earnings for the next three to five years.

Meanwhile, half of its RM437mil tender book are for rail-related projects, followed by water (25%), highway (15%) and infrastructure (10%).

The major portion of the tender book consists of engineering services (60.7%), followed by project management (37.1%) and building information modeling (BIM) services (2.2%).

Regarding the tender book, Kuna said based on the group's track record, he expects a 50% success rate for engineering services and project management job bids, as well as a 20%

"Given our longstanding industry track record, we think we are able to secure more projects in the second half of 2021."

Tan Sri Kuna Sittampalam

success rate for BIM job bids.

"We are optimistic that the government will speed up the implementation of mega infrastructure projects which includes the Mass Rapid Transit Line 3 (MRT 3), Penang Transport Master Plan (PTMP) and Johor Bahru - Singapore Rapid Transit System (RTS) in the second half of 2021 to rejuvenate the economy.

"Our participation in MRT1, the ongoing MRT2 and ECRL are a testament of our engineering capabilities, and position us favourably to secure more projects," he said.

On its regional expansion, Kuna said this would be via strategic collaborations with other partners.

The group is collaborating with a Japanese partner Nippon-Koei, to provide supervision services for the Chennai Metro Phase 3 in India.

It has also started supervision services for the North-South Commuter Railway Extension project in Philippines through a Japanese partner Oriental Consultants Global.

Meanwhile, the group also wants to leverage on its project management consultancy (PMC) experience to pursue opportunities with Digital Nasional Bhd (DNB) to implement its RM15bil

5G network rollout nationwide.

The group is also exploring opportunities in the digital and technology sector focusing on data centers as well as the 5G telecommunications space, as part of its revenue diversification strategy.

Kuna noted that Singapore has a moratorium on new data centres due to power and land shortage, and neighbouring countries such as Malaysia and Indonesia are expected to benefit from the spillover demand.

"In the wake of the Covid-19 pandemic, more businesses have transitioned to performing their operations online. With consumers and businesses gobbling up more data in an increasingly connected world, data centres are in hot demand," he said.

Kuna pointed out that the sector in Malaysia is expected to experience revenue growth of more than US\$800mil (RM3.29bil) by 2030.

Also, industry statistics anticipate that the data centre market in South-East Asia such as Singapore, Malaysia, Indonesia and Thailand are poised to grow at 14% compounded annual growth rate (CAGR) to US\$3.5bil (RM14.4bil) in the next decade.

GROWTH OPPORTUNITIES

HSS ENGINEERS EYES JOBS WORTH RM437M

Company banking on its expertise, track record in rail, road and water sectors

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HSS Engineers Bhd, banking on its expertise and track record in mega infrastructure projects, is tendering for RM437 million worth of jobs in the rail, road and water sectors this year.

Executive vice-chairman Tan Sri Kuna Sittampalam said the implementation of major infrastructure projects and award of contracts would likely accelerate in the second half of the year.

"We are optimistic the government will speed up the implementation of mega infrastructure projects. Our participation in the Mass Rapid Transit 1 (MRT1) and ongoing MRT2 and East Coast Rail Link projects are a testament to our engineering capabilities," he said yesterday.

HSS Engineers has tendered for jobs in the Mass Rapid Transit 3,

Johor Baru-Singapore Rapid Transit System, Sarawak Metro and Bayan Lepas Light Rail Transit projects, among others.

Kuna said its order book had exceeded RM600 million year-to-date, compared to RM34 million last year.

"We have secured a total of RM186 million in new orders, including a RM144.9 million Pan-Borneo Highway job in Sabah and a RM29.8 million contract for the Langkat 2 Water Supply Scheme."

He said the company's operations remained uninterrupted during the Movement Control Order period as it played a key supporting role for ongoing infrastructure projects.

Kuna said it would diversify its revenue into other high-growth

sectors by exploring opportunities in the digital and technology industry, focusing on data centres as well as fifth-generation (5G) mobile telecommunications space.

"We have embarked on a collaborative partnership with leading data centre specialists to pursue engineering and project management consultant

(PMC) opportunities in Malaysia and Southeast Asia."

He said HSS Engineers would leverage its PMC experience to directly pursue opportunities with Digital Nasional Bhd in implementing the nationwide 5G infrastructure rollout.

"With consumers and businesses gobbling up more data in

an increasingly connected world, data centres are in hot demand."

The company is also expecting to grow its revenue by securing projects in the sustainable renewable energy sector, water concessions and tolled highways.



Tan Sri Kuna
Sittampalam

HSS Engineers teroka peluang pusat data, 5G

Syarikat pengurusan projek dan kejuruteraan, HSS Engineers Bhd, sedang meneroka peluang dalam sektor digital dan teknologi bertumpukan pusat data serta 5G.

Naib Pengerusi Eksekutifnya, Tan Sri Ir Kuna Sittampalam, berkata usaha itu adalah sebagai sokongan kepada fokus kerajaan yang mahu mempercepatkan ekonomi digital susulan pandemik COVID-19.

Katanya, pihaknya memulakan pendekatan perkongsian kerjasama dengan pakar pusat data terkemuka global untuk mengejar peluang pengurusan keju-

ruteraan dan projek di Malaysia dan Asia Tenggara.

"Pada masa sama, kami juga memanfaatkan pengalaman dalam perundingan pengurusan projek (PMC) untuk secara langsung meraih peluang dengan Digital Nasional Bhd (DNB) bagi melaksanakan pelancaran 5G di seluruh negara dengan jayanya.

"Susulan pandemik yang melanda, banyak perniagaan kini beralih menjalankan operasi mereka dalam talian. Memandangkan pengguna dan perniagaan menggunakan lebih banyak data di dunia yang se-

makin terhubung, pusat data kini menerima permintaan yang amat tinggi.

"Susulan kerajaan Singapura mengenakan moratorium dalam penubuhan pusat data baharu susulan kekurangan tenaga dan

tanah, negara jiran seperti Malaysia dan Indonesia dijangka mendapat keuntungan daripada limpahan permintaan ini," katanya.

Beliau berkata demikian pada sidang media selepas mesyuarat

tahunan keenam syarikat itu secara maya, semalam.

Mengulas lanjut, Kuna berkata, sektor berkenaan di Malaysia dijangka meraih pertumbuhan pendapatan lebih AS\$800 juta (RM3.29 bilion) menjelang 2030.

"Tambahan lagi, perangkaan industri menjangkakan yang pasaran pusat data di Asia Tenggara seperti Singapura, Malaysia, Indonesia dan Thailand bersedia untuk mengalami kadar pertumbuhan tahunan dikompaun (CAGR) sebanyak 14 peratus kepada AS\$3.5 bilion (RM14.4 bilion) pada dekad berikutnya," katanya.



Susulan pandemik yang melanda, banyak perniagaan kini beralih menjalankan operasi mereka dalam talian

*Ir Kuna Sittampalam,
Naib Pengerusi Eksekutif HSS Engineers Bhd*

PM to brief Cabinet on possible HSR revival

By MARTIN CARVALHO

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PETALING JAYA: Prime Minister Datuk Seri Ismail Sabri Yaakob is scheduled to brief the Cabinet tomorrow on the possible revival of the Kuala Lumpur-Singapore High Speed Rail (HSR) project.

"The joint statement by the prime ministers of both countries was made after their meeting and it has yet to be brought to the Cabinet.

"I anticipate that the Prime Minister will report to the Cabinet the outcome of the meeting

between the two of them," said Transport Minister Datuk Seri Dr Wee Ka Siong when wrapping up the debate at the committee stage on Budget 2022 allocations for his ministry.

Dr Wee was referring to remarks made during a joint press conference by Ismail Sabri and his counterpart Lee Hsien Loong on Monday when both leaders attended the launch of the land Vaccinated Travel Lane (VTL-Land) in Singapore.

Lee had said that Singapore is open to fresh proposals from Malaysia on the HSR project and

that the transport ministries of both nations would discuss the matter.

Malaysia and Singapore had previously announced the termination of the HSR project.

Asked by Datuk Seri Ahmad Maslan (BN-Pontian) if there was a time frame for negotiations on the revival of the project, Dr Wee said no.

"No time frame or duration has been fixed as it was merely a statement issued by the prime ministers after their meeting," he said.

If there were any further progress on the matter, he said other relevant agencies would be roped

in to assist in the planning.

Dr Wee dispelled claims that former prime minister Datuk Seri Najib Razak was present during the meeting between Ismail Sabri and Lee.

According to RSN Rayer (PH-Jelutong), there had been photographs circulated on social media showing Najib at the meeting.

Apart from himself, Dr Wee said that among those present were International Trade and Industry Minister Datuk Seri Azmin Ali and senior officers from other ministries.