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Taylor Woodrow optimistic of region's recovery

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UK-BASED construction firm, Taylor Woodrow, remains optimistic of an economic rebound in Asia-Pacific, saying that Malaysia will be the second country after Hong Kong to recover from the economic crisis.

Mr Rodney Franks, company director for the Asia-Pacific region said, while the timing for recovery in individual country is "anybody's guess", it depends on the environment cultivated by individual governments to attract foreign investors.

He said the Government's announcement of the RM5 billion infrastructure fund is a "sound judgement" to get the country out of the recession.

The fund will be managed by the proposed National Infrastructure Development Corp Bhd.

In the interim, Khazanah Nasional Bhd will manage the fund which will be used to finance, among others, mass-transit rail transportation, ports, highways, water supply projects, waste disposal and sewerage projects.

Franks, speaking to Business Times, described the Malaysian environment as competitive especially in the construction and management consultant business, two areas which are Taylor Woodrow's traditional core businesses.

The company is still looking for projects to undertake in the country after the completion of the Sistem Transit Aliran Ringan's Kuala Lumpur Light Rail Transit System One (LRT) project.

The company said it is looking at government projects in the health and education sectors.

The two-phased LRT project had contributed 60 per cent of the firm's turnover.

Taylor Woodrow had led a consortium with Adtranz, which promoted and implemented the LRT project, said to be one of the world's largest privately-funded mass transport systems.

The consortium had assessed the viability of the project and developed the design and financing arrangements for it.

The consortium also enlisted the support of the local institutional investors and finalised the concessions with the Government for Phase 1 by December 1992 and for Phase 2 by July 1994.

Franks described the RM3.4 billion project as "an important milestone for the company" as it is the largest private finance initiated scheme in the world.

From the running of the project, the company had developed skills in financial engineering expertise.

"In terms of technology, it did not necessary mean that it is unique to the project but we were able to obtain skills in financial engineering which can be used as a new business focus in our future projects," he said.

Franks added that the project was also completed ahead of schedule and below budget.

Phase One of the project - stretching 12km including 3km of elevated viaduct and 13 stations between Ampang and Jalan Sultan Ismail - began on August 1993. Phase Two - linking the city to Bukit Jalil and the National Sports Complex in the south and Sentul in the north - began in August 1995.

"The entire project was completed within five years and this is considered fast-track.

"The Government made fast decisions and this was good ... a willingness to find solutions. I do not think we can get quick turnaround anywhere else, especially not in the UK," he said.

Phase Two of the project was officially opened last week by Prime Minister Datuk Seri Dr Mahathir Mohamad.

Taylor Woodrow first made its presence in Malaysia in 1964 when it first established an office in Kuala Lumpur.

Since then, the company had executed a comprehensive range of projects in the private and public sectors including airport facilities at Subang and Kuantan, hospitals in Penang, factories, high-rise intelligent buildings, condominiums, shopping complexes and coal mining.

Franks said the company is also looking to fill the gap with other projects in other markets such as in Hong Kong and the Philippines.

He did not name the projects in the other Asian countries but said "it is tempting to pre-qualify for a high-speed rail project in Taiwan."

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