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SALCON-GROWTH
SALCON OPTIMISTIC OF WATER AND SEWAGE INDUSTRY GROWTH

KUALA LUMPUR, Jan 12 (Bernama) -- Salcon Bhd is optimistic of the group's future as recent developments in the water and sewage industry, both domestically and overseas, had complemented the strategic initiatives set out by its management.

Its chairman, Tan Sri Razali Ismail, said the government was giving increasing emphasis on water infrastructure development in the country. Water has been identified as a priority sector for development under the 8th Malaysia Plan (8MP).

Salcon is involved in designing, constructing, operating and maintaining of municipal potable water, sewerage and industrial waste-water facilities.

"A total of RM3.97 billion has been allocated for the water sector under 8MP, which was 66 percent higher than the government spending under 7MP," he said in the first annual report of the company and group for the period ended July 31, 2003, released today.

Razali said development works under the government's National Water Resources Master Plan were expected to cost RM51.9 billion over a 50-year period (2000-2050).

In July 2003, the Works Minister, Datuk Seri S Samy Vellu, had announced that the federal government would assume control of water management from state governments by the end of 2003 after discussing the issue at the National Water Council meeting held in Putrajaya chaired by the then Prime Minister, Tun Dr Mahathir Mohamad.

"We also see opportunities in Non Revenue Water (NRW) as it addresses the issue of pipe leakages and ensures efficient distribution of water produced.

"In the 8MP, the government introduced a demand management and conservation strategy to reduce NRW from 39 percent in year 2000 to 31 percent in year 2005," he said.

Currently Salcon is undertaking a NRW project in Sandakan, Sabah.

"With good track record in Malaysia, Vietnam and Thailand, we have further explored new markets such as China whose market provides tremendous opportunities to tap Build-Operate-Transfer concessions to improve the group's steady income streams over the longer term.

"We expect the sewerage market to sustain its activities at least for the short term as there is continued demand and renewed interest in selected segments of the property market coupled with the government's initiatives to stimulate the construction sector," Razali added. --
BERNAMA

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