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KLIG still hopes to get Jakarta monorail contract

By KAMARUL YUNUS

KL INFRASTRUCTURE Group Bhd (KLIG) still hopes to be awarded the RM2 billion contract to jointly build a monorail system in Jakarta, despite reports that it has been dropped from the race to bid for the project.

Its executive director Al-Jeffery Ibrahim said the company is working hard to secure the contract and is optimistic about the results of the bid.

"The less we talk about the matter the better. If we say something, this may jeopardise our chances (of securing the contract). The Malaysian public likes to be very speculative. We would rather deal with hard facts," he told Business Times.

It was reported recently that MTrans Holdings Sdn Bhd, KLIG's parent company, had been dropped as the main supplier for the Jakarta monorail project.

According to the report, Hitachi Ltd - Japan's largest maker of power-generation equipment which lost the bid to build a monorail line in Kuala Lumpur to MTrans - had emerged as the front-runner to secure the Jakarta project.

"We will make an announcement at an appropriate time," Al-Jeffery said.

MTrans is said to have almost finalised the deal with its Indonesian partner, PT Indonesia Transit Central, for the construction of the monorail system.

The two companies signed a memorandum of understanding to set up a consortium for the development of the monorail system during a visit by former Prime Minister Tun Dr Mahathir Mohamad to Bali late last year.

The consortium, supposed to be MTrans' first overseas venture, is expected to be given a 40-year concession to operate the monorail service.

Al-Jeffery said that in its quest to become a global urban mass transit provider, KLIG will "piggy-back" on MTrans' overseas expansion.

He said MTrans is looking at opportunities for various tenders in 12 countries, namely in West Asia and China.

"Our total exposure is about US\$4 billion (US\$1 = RM3.80) worth of potential contracts," he said.

He also said that these potential investments would give KLIG the platform to venture into new businesses through managing and operating the monorail system, maintenance, project management, media planning and advertising, and property management.

Apart from the monorail operations, the group expects its foray into inter-city bus services to contribute substantially to KLIG's revenue for the financial year ending April 30 2005.

"We expect the bus operations to contribute 37 per cent of our total revenue for the current financial year, monorail operations 28 per cent, advertising 23 per cent and property development 12 per cent," Al-Jeffery said.

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