



Local projects vital to sustain future growth, says firm

WITH an order book that could more than triple to RM8 billion in two years, Gamuda Bhd has built up a reputation as one of the most proficient construction firms in winning jobs abroad.

It has built highways in India, is in the process of finishing an underground railway line in Taiwan, and will construct a hydro-electric power plant in Laos.

With all the projects it has overseas, the assumption may arise that Gamuda does not need local projects to sustain its future growth.

Such a perception, however, is far from the truth, said Gamuda executive director Datuk Azmi Mat Nor.

"Gamuda needs local projects," he said in an interview with Business Times.

"Overseas clients want to see us having a strong base at home before they consider us capable and credible enough to take on infrastructure jobs, even after we've emerged as the most competitive candidate in an open tender," he explained.

Under the Ninth Malaysia Plan (9MP), some RM38.9 billion will be spent to build rural roads, rail tracks and highways; upgrade airports; improve water supply; and for flood mitigation projects.

Based on this, the Government expects the construction sector to grow 1 per cent this year, to rebound from contractions of 1.6 per cent last year and 1.5 per cent in 2004.

"While the bulk of the 9MP projects will most probably be awarded to the small construction players, the bigger boys like Gamuda, IJM Corp Bhd and MMC Corp Bhd can try to negotiate or bid for the 8MP leftovers," said an analyst, who declined to be named.