

MEDIA : The Star	TITLE : Scomi Engineering unit eyes China monorail market
COMPANY : Scomi Engineering Bhd	DATE : 29/6/2016

Scomi Engineering unit eyes China monorail market

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KUALA LUMPUR: A subsidiary of Scomi Engineering Bhd is looking to enter China's booming monorail industry together with a Chinese partner.

An industry source confirmed that Scomi Rail Bhd had been approached by several Chinese railway and engineering firms and infrastructure companies looking to form a partnership to enter the industry.

"A few Chinese firms interested in investing in the Chinese monorail industry have approached Scomi Rail. They want to bring Scomi Rail into China, following the company's success with its monorail technology in

Brazil and India.

"Discussions with the Chinese firms have been going on for the past six to seven months," said the source.

He said the company was looking to enter second and third-tier Chinese cities.

"There are about 100 second and third-tier cities where there have been a massive infrastructure boom.

"The central government has allocated a huge budget to improve the public transportation system, and they want to build monorail systems," he said.

He added that Scomi Rail would be providing the technology and systems interface in the partnership.

According to a *Bloomberg* report, electric

carmaker BYD Co is among firms looking to build monorail systems in the smaller cities in China.

It quoted BYD Co chairman Wang Chuanfu as saying that monorail systems were a potential three trillion yuan (RM1.84 trillion) market in China, based on an average 70-km network in each of an estimated 300 cities.

With the number of vehicles increasing at an average annual rate of 15% in the cities, and road space at only 1%, the urban areas would soon experience the same gridlock seen in cities like Beijing unless they adopt light transit, he said.

Scomi Engineering has seen success with its monorail technology in countries like Brazil and India. In 2011, it clinched an

RM2.6bil contract with consortium partners to build a monorail line for Line 17-Gold in Sao Paulo, Brazil, following an international competitive tender process.

In July 2014, it was awarded a contract to develop and maintain the Sao Paulo Line 18 monorail project.

On June 1, the group announced it had been awarded RM504.6mil in additional works for its Line 17-Gold Sao Paulo, increasing its contract value for the project to RM601.8mil, and its order book to RM2.1bil.

In India, Scomi Engineering entered into a joint-bidding agreement with Geodesic Techniques Private Ltd to undertake monorail projects in Bangalore in November 2009.



MEDIA COVERAGE

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