

Construction projects in the pipeline

PETALING JAYA: Construction activities are picking up steam with several major jobs up for grabs and their spillover effect will benefit the sector and players.

The potential near-term catalysts include the retendering of Johor Baru-Singapore Rapid Transit System link packages and the approval for a Light Rail Transit connecting Penang island to Seberang Perai.

MyHSR Corp has also invited interested parties to participate in the latest round of the request for information exercise for the Kuala Lumpur-Singapore High Speed Rail (HSR) project from July 12 until Nov 15.

RHB Research, in its latest report, viewed the latest development as positive, giving opportunities to a larger pool of contractors to submit their proposals for the HSR.

Since the HSR would be fully funded by the private sector, the research house said any material development post government assessment would likely be known in the second half of 2024.

“A positive spillover effect may transpire in terms of subcontract packages benefiting the construction industry as a whole,” it added.

RHB Research’s top picks for the construction sector include Gamuda Bhd, Sunway Construction Group Bhd and Kerjaya Prospek Group Bhd.

This is given their steady job replenishment trend and strategic hedge against any downside risks from the domestic construction landscape amid their commendable exposure to overseas jobs (for Gamuda) and also private industrial ones (for Sunway Construction and Kerjaya Prospek).