

# 3 cable makers line up for HSBB job

## Pre-qualification tenders submitted to TM; price bid expected next month

by Fong Min Hun

FD@bizedge.com

PETALING JAYA: Telekom Malaysia Bhd (TM) seems to have all its ducks in a row for the high-speed broadband (HSBB) project, having already requested and received pre-qualification bids from local cable manufacturers.

The three main fibre-optic cable companies in the country — Lite Kabel Sdn Bhd, Fujikura Federal Cables

Sdn Bhd and Opcom Holdings Bhd — have put in bids to supply the cables, industry sources said.

They said that TM had put out requests for submissions for two components of the job in early August. The supply of equipment and materials is for the first phase that is expected to take between two and three years. This was in anticipation of TM being formally awarded the contract, which came on Tuesday.

CONTINUES ON PAGE 4 >>

## First phase of HSBB expected to kick off end of this year or early 2009

FROM PAGE 1 >>

Of the two requests for bids, one was for the "active" component of the project, which involved the supply of network equipment. This portion is said to be open to an international field. Its progress is not known yet.

The second portion, which is the "passive" component, called for bids from local companies to supply fibre-optic cables and accessories to link homes to TM exchanges.

Unlike the "active" component that is done on an open tender basis, participation in the "passive" component was by invitation only to select local companies.

Cable manufacturer Lite Kabel, an associate company of Leader Universal Holdings Bhd, has positioned itself as a ready vendor after responding to the tender request.

"We participated in the tender and our role is to supply cable and related accessories for the passive component of the project," Lite Kabel deputy managing director Roslan Loong told *The Edge Financial Daily* yesterday. He added that TM had engaged its own contractor to install the equipment.

Roslan said he was not sure who had been invited to submit the proposals, but he believed the three main fibre-optic cable producers in Malaysia had sufficient production capacity to meet HSBB's needs. An official from Fujikura had already confirmed to *The Edge* last week that it had submitted a proposal.

Of the three companies, only Opcom declined to comment on its participation in the project.

"We have the capacity. TM should not have a problem with cable supply," Roslan explained. He added that Lite Kabel has the capacity to produce 1,800 cable-kilometres per month after expanding its production line this year, making it the largest production capacity in the country.

Asked about the expected revenue from the broadband project if Lite Kabel's tender was accepted, Roslan said it was too soon to tell.

"In terms of the price, we don't have that yet because we are still at the technical stage. TM will assess (the suitability of the companies) based on the technical documentation submitted and I expect the price bid will take place in October," he said.

"As for the value of this tender, I don't have the full details, but we estimate that it will be very large, in excess of RM500 million."

While industry sources did not doubt that Malaysian manufacturers would be able to meet the cable requirements of the project, questions lingered over whether they would be able to supply the necessary accessories to string the cable from homes to TM exchanges.

However, Roslan said it was not a problem for Lite Kabel as it was in the midst of setting up a consortium to supply accessories in addition to cables.

He declined to provide more details, explaining that negotiations were still going on. Lite Kabel currently has a 35% share of the fibre-optic cable market in the country.

Early reports on the HSBB project suggested that it would be implemented in two phases over 10 years at a cost of RM1.3 billion. The first phase was expected to take off at the end of this year or early next year. The government is expected to invest RM2.4 billion while TM would foot the rest of the bill.