

TEUs from 41,806 TEUs in 1987. For 1989, KTM estimates a further growth of about 12 percent.

4.4 Signalling and Communications Division

a) Current Projects

The most immediate signalling and communication opportunity, is the installation of the signalling and communication system for the K.L. - Port Klang and Seremban -Rawang stretches (these are the stretches on which KTM plans to double track). The total cost for the installation of the signalling and communication system is estimated at C\$26 million. Prequalification for the supply of this system was called in September and closed in October 1989. Therefore it is too late for new Canadian companies to bid on the tender. However, this does not rule out the possibility of participation by Canadian companies interested in offering services to the successful bidder. In fact, there are several subsystems involved in the tender and none of tenderers will be expert in all the subsystems. In other words, the successful bidder will normally subcontract out parts of the system. The contract for the system is expected to be awarded in mid 1990, with commencement of the project scheduled for late 1990.

The other main signalling project which KTM hopes to implement in the next two to three years is the installation of new signalling systems at four stations. This project has yet to be approved and is expected to cost around M\$2.75 million.

b) Future Projects

Plans for future projects are still unclear since these projects are subject to final approval under the Sixth Malaysia Plan. In the long term, KTM plans to modernize its signalling and communication systems over a wide area in Peninsular Malaysia. The projects that KTM is currently working on involve more of signalling systems than communication systems. KTM estimate that at least M\$500 million (C\$217m) is required to equip the entire KTM rail network with an adequate communication system.

c) Competitors

The market leaders in the supply of rail signalling systems are M.L. Engineering and Westinghouse, both of U.K. Other manufacturers of rail signalling system who have supplied to KTM include Integra of Switzerland, Siemens for Germany and Kyosan from Japan. There has been very little representation from U.S.A. and Canada so far. Only one Canadian company, Canac International Incorp., submitted a bid for the prequalification tender mentioned earlier (the signalling and communication system for the double track stretches).