

PM-PROMET
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KUALA LUMPUR, OCT. 15 (BERNAMA) -- THE GOVERNMENT WILL CONSIDER LOCAL CONSTRUCTION COMPANIES FOR MULTI-MILLION RINGGIT TURNKEY PROJECTS IF THEY HAVE THE EXPERTISE FOR FAST AND EFFICIENT CONSTRUCTION OF BUILDINGS.

ANNOUNCING THIS TODAY, DATUK SERI DR MAHATHIR MOHAMAD SAID THE GOVERNMENT HOPED CONSTRUCTION COMPANIES IN THE COUNTRY STRENGTHENED THEMSELVES THROUGH EITHER MERGERS OR JOINT VENTURES TO HAVE THE CAPABILITIES FOR CONSIDERATION FOR BIG TURNKEY PROJECTS.

+THE ERA OF THE INDIVIDUAL OR FAMILY BUSINESS IN THE CONSTRUCTION INDUSTRY HAS ENDED,+ HE ADDED WHEN OPENING THE MENARA PROMET, A SKYSCRAPER IN JALAN SULTAN ISMAIL.

THE BUILDING WILL HOUSE THE HEADQUARTERS OF THE PROMET COMPANY WHICH HAS A WIDE ARRAY OF BUSINESS INTERESTS INCLUDING IN SHIPBUILDING, PROPERTY DEVELOPMENT AND GAS AND PETROLEUM EXPLORATION.

IT FEATURES A UNIQUE TRIANGULAR PODIUM AND AN OCTAGONAL TOWER BLOCK 34 STORIES HIGH.

THE PRIME MINISTER SAID ONLY CONTRACTORS WITH A HIGH LEVEL OF FINANCIAL, ENGINEERING, TECHNOLOGICAL, DESIGNING AND MANAGEMENT COMPETENCY WOULD BE CONSIDERED FOR TURNKEY PROJECTS RUNNING INTO HUNDREDS OF MILLION OF RINGGIT. -- MORE 1757/ZCM

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+WE CAN NO LONGER ACCEPT PROJECTS BEING ABANDONED LIKE IN THE CASE OF SEVERAL SCHOOL PROJECTS IN SOME STATES,+ HE ADDED.

HE STRESSED THAT A FAST BUT EFFICIENT AND ORDERLY CONSTRUCTION SYSTEM WAS A CRUCIAL QUALIFICATION IN SITUATIONS WHERE INFLATION HAD BECOME A COMMON FACTOR.

HE REGRETTED THE FACT THAT TOO MANY CONSTRUCTION PROJECTS WERE TAKING LONGER THAN SCHEDULED TO BE COMPLETED, RESULTING IN NOT ONLY HIGH COST OVERRUN BUT ALSO LOSS OF ANTICIPATED REVENUE BECAUSE OF THE DELAY.

+MANY GOVERNMENT PROJECTS ARE EXPERIENCING THIS PROBLEM WITH THE CONSEQUENCES THAT THE EXPENDITURE SOMETIMES DOUBLED OR ESCALATED EVEN HIGHER.+

HE EXPLAINED THAT IN VIEW OF THE SITUATION, THE GOVERNMENT DECIDED TO INTRODUCE THE TURNKEY CONCEPT WITH ITS PRINCIPLE OF FIXED COSTS TO ENSURE COST OVERRUN WOULD NOT OCCUR AND THE CONSTRUCTION KEPT TO THE SCHEDULE.

HOWEVER, BECAUSE OF THE HIGH LEVEL OF EXPERTISE REQUIRED FOR SUCH PROJECTS, THE SMALLER CONSTRUCTION FIRMS IN THE COUNTRY WERE NOT GIVEN THE OPPORTUNITY TO PARTICIPATE IN THEM EXCEPT ON A SUB-CONTRACTOR OR PARTNERSHIP BASIS ACCORDING TO THE CONDITIONS OF THE CONTRACT AWARDED BY THE GOVERNMENT. --MORE 1833/MD

PM - PROMET 3 KUALA LUMPUR

THE PRIME MINISTER HOPED LOCAL COMPANIES RESTRUCTURED THEMSELVES TO ACHIEVE THE CAPABILITY FOR UNDERTAKING TURNKEY PROJECTS SUCCESSFULLY.

HE REMINDED BUMIPUTERA COMPANIES THAT THEY DID NOT NEED TO BE 100 PERCENT BUMIPUTERA.

DURING THIS PIONEERING PHASE, BUMIPUTERA COMPANIES SHOULD BE PREPARED TO WORK TOGETHER WITH OTHER COMPANIES WHICH COULD BE EITHER LOCAL OR FOREIGN.

+WHAT IS ESSENTIAL IS THAT THEY LEARN MANAGEMENT TECHNIQUES FROM THEIR PARTNERS OR JOINT VENTURE ALLIES.+

HE SAID THAT MANY TURNKEY PROJECTS WERE STILL BEING WON BY FOREIGN COMPANIES AND ADDED THAT THE GOVERNMENT WAS AWARE OF THE EFFECTS OF LOSS OF EARNINGS BY LOCAL CONTRACTORS AND LOSS OF FOREIGN EXCHANGE BY THE COUNTRY.

THE CONSTRUCTION INDUSTRY WAS AMONG THE MOST ACTIVE AND FAST GROWING INDUSTRIES AND CURRENTLY ACCOUNTED FOR 4.7 PERCENT OF THE GROSS NATIONAL PRODUCT (GNP). --MORE 1938/MD

ZCZC N121 (F/S)

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THERE WERE INDICATIONS OF THE CONTRIBUTION GROWING THE 5.2 PERCENT IN 1990 WITH THE 337,000 JOB OPPORTUNITIES CREATED AT PRESENT RISING TO 413,000 BY THAT YEAR.

+LOCAL CONSTRUCTION FIRMS SHOULD THEREFORE PREPARE TO PLAY A BIGGER ROLE IN THE SECTOR AFTER LEARNING FROM FOREIGN CONTRACTORS.+

HE URGED LOCAL CONTRACTORS TO CHANGE THEIR CONSERVATIVE ATTITUDE AND ADOPT NEW TECHNOLOGY AIMED AT IMPROVING THE PROCESS OF CONSTRUCTION.

THEY SHOULD CARRY OUT THEIR OWN RESEARCH IN CONSTRUCTION SCIENCE, PARTICULARLY PERTAINING TO CONSTRUCTION IN A TROPICAL CLIMATE WHERE THE WEATHER CONDITIONS WOULD BE UNLIKE THOSE OF TEMPERATE COUNTRIES FROM WHERE MALAYSIA DERIVED HER TECHNOLOGY.

+LOCAL CUSTOMS AND VALUES SHOULD SIMILARLY BE TAKEN INTO ACCOUNT IN THE CHOICE OF DESIGN AND EQUIPMENT SUITABLE FOR TROPICAL COUNTRIES, PARTICULARLY MALAYSIA.+ HE ADDED.

DATUK SERI DR MAHATHIR SUGGESTED THAT LOCAL CONTRACTORS CARRIED OUT A SPECIAL STUDY OF THESE FACTORS WITH THE ASSISTANCE OF LOCAL UNIVERSITIES. --BERNAMA 1942/MD.