

PM rebuts charges of partiality 'Govt not favouring foreign builders'

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KUALA LUMPUR, Wed.— The Prime Minister tonight denied charges of Government partiality towards foreign builders by comparing the sluggish growth of the construction sector prior to the arrival of the Japanese and Koreans with the explosive pace of the current boom they had sparked.

Datuk Seri Dr. Mahathir Mohamad said the influx of these innovative and low-cost Eastern contractors had hastened the construction boom and pulled up the formerly-straggling local building industry with it.

Dr Mahathir reiterated: "The Government does not have a policy of siding with Japanese and Korean contractors."

"These contractors had beaten other nationalities for Malaysia's contracts and spurred property developers to start projects where the older and expensive traditional contractors had made them think twice."

Construction

At the time the Government introduced the "turnkey" system, the actual competition had been between Western and Eastern contractors. Local competitors had barely existed, but since then they had rubbed off their Japanese and Korean peers.

"Local contractors were not really involved. Certainly, Bumiputera contractors could not have been left out as a result of the participation of contractors from the East. They were incapable of putting up bids."

"As a consequence of the changes brought by

the Eastern contractors — low costs, new methods and rapid completion — we can now see several local contractors cutting costs, using new techniques and speeding up work

"I believe they are now more competitive and have already won several big contracts," Dr Mahathir said at the 30th anniversary dinner of the Master Builders Association.

"At a glance, the expansion of the construction sector might be at the local contractors' expense. But this is only temporary.

"I believe that with increased development and efficiency as well as new costs and systems, local contractors will have more opportunities in the continuing building boom," he said

"The Government will certainly provide favoured treatment to local

Bumiputera contractors, if cost, quality of work and efficiency are comparable to those of the foreign contractors," he said.

The Prime Minister said the positive way of looking at the performance of the contractors of the East was in their influence on the local industry rather than in their presence as obstacles.

Management

"Little by little, projects have been successfully won by local contractors. Joint ventures, 'sub-contracts', skilled workmen have all increased.

"If local contractors are able to absorb the good construction and management systems and are able, too, to set up large and fully-equipped construction companies, I believe one day Malaysian contractors can

compete and beat international rivals," he said.

"Indirectly, the deluge of contractors from the East has brought favourable growth in the construction industry and the national economy.

"Local contractors need to consolidate themselves in order to be able to compete with the foreign contractors."

The Prime Minister advised contractors, particularly Bumiputeras, "to involve themselves thoroughly with daily management, (because) only then would efficiency and skill be acquired."

He urged them to erase the image of being merely "contact-men," or always absent from work-sites and without payrollled employees and workers.

He also urged Bumiputera and non-Bumiputera contractors to co-operate for the long-term good of the industry.