

Warnings Industry buildings glut 'a BT 8/8/85 dangerous thing'

By KHALID JAAFAR 

PRIME Minister Datuk Seri Dr Mahathir Mohamad last night reminded the construction industry to slow down its activities in relation to demand.

He said an oversupply of buildings is a "dangerous thing."

Developers have to borrow to finance their projects. They expect to repay the loans through the income derived from the buildings. However, in a glut situation, the returns may not be up to expectations.

They even may have to provide more collateral or have their loans recalled if the value of the property falls below the borrowed amount. To counter such a situation, they may have to lower rentals or prices drastically which will only encourage others to follow suit.

Speaking at a dinner hosted by Persatuan Arkitek Malaysia (PAM) in Kuala Lumpur, Dr Mahathir said the government does not like to see anyone lose money as it affects its own revenue.

For this reason the government tries to limit loans for building construction although this will result in less jobs for architects, who are used to prosperity.

Some of them who have left the public sector for the more lucrative private sector may put the blame on the government for the difficult situation they find themselves in.

"They would never think that it is their own avarice that has contributed to their difficulties. Had they stayed with the government they could have had a steady, though smaller, income," he added.

The Prime Minister explained that the government could not control everything, including the ups and downs of business activities, as there will always be outside influences which affect performance and income.

Steps must be taken to provide for a rainy day and to tighten belts when things are not as they should be. Disregarding recession or expecting it to be over soon is not the way to handle bad times.

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Dr Mahathir said Malaysia is experiencing relatively bad times but the situation is not really too bad as others are going through worse. The test of the country's resilience lies in the ability of the private and public sectors to manage bad times.

Touching on the growth of Kuala Lumpur, he said the government is concerned about the growing popularity of glass towers, designed to keep out heat, thus lowering the cost of cooling the interior.

"If the heat is kept out, where does it go to? It cannot just disappear and the chances are it is heating up the streets and the open spaces, making walking about or even driving less comfortable. We suspect heat islands are being formed in certain locations," he said.

Although the immediate answer to the problem is to ban the use of reflecting glass as exteriors of buildings, the Prime Minister said he believes there are better methods like planting more trees to provide shade.

The government is looking for the right agency to undertake research on ways to tackle the problem. In the meantime, tree-planting and landscaping must be encouraged, he said.