

PM: Low-cost housing, road projects will spur growth rate

\$3.5b boost to economy

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KUALA LUMPUR, Sun. — The implementation of massive low-cost housing and highway projects costing \$3.5 billion is expected to spur the country towards a growth rate of between four and five per cent this year, **Datuk Seri Dr Mahathir Mohamad** said today.

The Prime Minister said the construction of the low-cost houses and roads would also generate employment besides boosting the economy.

Apart from the \$2 billion special-housing scheme, the Government would spend \$1.5 billion on major road construction projects.

The projection of Malaysia's growth rate of 5.6 per cent under the Fifth Malaysia Plan had been earlier this year scaled down to between 1.6 and two per cent because of low commodity prices.

"The implementation of these projects throughout the country will help

By **ALI HAMDAN**

improve the economy," Dr Mahathir told reporters after launching a low-cost housing scheme in Dusun Nanding, Hulu Langat, under the special low-cost housing programme.

Dr Mahathir said the programme would revitalise the construction industry and act as a catalyst to other related industries, trades and services.

Cutting red-tape

Under the programme, 80,000 units of low-cost houses are to be built annually over the next three years on a privatised basis and in joint ventures between State Governments and the private sector.

"This is one of the ways we can achieve a better growth rate... of up to four to five per cent," he said.

Earlier in his speech at the launching, Dr Mahathir directed State Governments to treat with urgency the construction of low-cost houses under the special programme.

He said the State Governments must

look for developers to implement the projects under the programme.

He said the developers' applications should be dealt with immediately. The State authorities should also start working on next year's projects.

Dr Mahathir said the Federal Government had taken various measures to make it easier for the developers, including cutting red-tape and relaxing several construction by-laws, in view of the importance of the programme to the country's economic growth.

"The aim of the special scheme is not only to provide affordable and decent homes for the low-income group but also to speed up economic recovery and create job opportunities," he said.

To ensure the success of the programme, he said a number of steps had been taken, one of which required State Governments to maintain a register of people qualified to buy such houses.

This would avoid the current problem of completed houses remaining unoccupied.

Special task forces had been set up in all States to provide for speedy appro-

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val of land, project planning and the provision of infrastructure facilities.

He said the Government was working closely with commercial banks, financial institutions and other sectors involved in the construction industry to find ways to lower construction costs.

Under the programme, each unit will cost about \$25,000 but more houses will be built if the cost was cut to between \$17,000 and \$20,000.

Funds totalling \$2 billion have been set aside by Bank Negara, commercial banks and other financial institutions for the scheme.

The Government has also introduced new loan arrangements under which housing loans can be obtained easily and speedily.

Dr Mahathir also stressed the need for the setting up of a one-stop centre where all the relevant parties — banks, the Government, developer and buyer — could meet and settle all matters pertaining to approval and sale of houses.

He urged the Persatuan Arkitek Malaysia (PAM), the Master Builders Association, contractors' associations and town planners to play their role effectively to ensure the success of the programme.