

FOREIGN INVESTORS URGED TO TAKE UP REAL ESTATE INVESTMENT

KUALA LUMPUR, SEPT 2 (BERNAMA ES) - PRIME MINISTER DATUK SERI DR MAHATHIR MOHAMAD SAID TODAY THAT FOREIGN INVESTORS SHOULD TAKE THE OPPORTUNITY TO INVEST IN REAL ESTATE IN MALAYSIA AS A LONG TERM INVESTMENT.

HE STRESSED THAT MALAYSIA HAS A PROPERTY-OWNING POLICY WHICH HAS GENERATED MANY BOOMS AND HE IS CONFIDENT THE POLICY CAN HELP TO REJUVENATE THE INDUSTRY WHICH IS CURRENTLY FACING PROBLEMS FROM THE BACKLASH OF THE ECONOMIC RECESSION.

DATUK SERI DR MAHATHIR WAS OPENING THE 1987 ASIA-PACIFIC REAL ESTATE CONGRESS WHICH BEGINS AT THE PUTRA WORLD TRADE CENTRE HERE. HIS SPEECH WAS READ BY DEPUTY MINISTER IN THE PRIME MINISTER'S DEPARTMENT, RAJA ARIFFIN RAJA SULAIMAN.

HE SAID MALAYSIA IS MAKING EVERY POSSIBLE MOVE TO HELP AND BOOST THE REAL ESTATE INDUSTRY. SUCH MEASURES INCLUDE THE LOWERING OF ALIENATION PREMIUMS, REDUCED LAND USE CONVERSION CHARGES, TRIMMING OF INFRASTRUCTURE REQUIREMENTS, MINIMISING RED TAPE TO QUICKEN APPROVAL PROCESS, CHEAPER FINANCING CHARGES AND PARTIAL WITHDRAWAL OF CONTRIBUTIONS TO THE EMPLOYEES PROVIDENT FUND FOR PURCHASING HOUSES.

HE SAID ONE OF THE SIGNIFICANT CHANGES THAT HAVE BEEN MADE IS TO ENABLE FOREIGNERS TO INVEST AND PURCHASE VARIOUS TYPES OF REAL ESTATE SUCH AS AGRICULTURAL, RESIDENTIAL, COMMERCIAL AND INDUSTRIAL PROPERTIES.

HE NOTED THERE IS STILL A SHORTAGE OF HOUSING FOR THE LOWER AND MEDIUM-INCOME GROUPS AND TO CATER FOR THEM, THE GOVERNMENT HAS IMPLEMENTED A SPECIAL HOUSING PROGRAMME TO BUILD 80,000 HOMES PER ANNUM FOR THREE YEARS FROM 1986.

HE ADDED ALTHOUGH THE COUNTRY HAS TECHNOCRATS AND PROFESSIONALS LOOKING INTO MORE EXPEDITIOUS METHODS OF CONSTRUCTING BUILDINGS WITH SOME OF THEM ALREADY IN USE, THERE IS STILL ROOM FOR FURTHER FOREIGN EXPERTISE AND CAPITAL INVESTMENT IN THE SECTOR.

HE SAID THERE IS A STRONG DEMAND FOR MEDIUM COST HOUSES THROUGHOUT THE COUNTRY. WITH LOWER PRICES FOR SOME BUILDING MATERIALS AND REDUCTION IN CONSTRUCTION COSTS, DEVELOPERS AND ENTREPRENEURS WITH THE RIGHT STRATEGIES CAN ENJOY A REASONABLE MARGIN OF PROFIT.

"IN RELATION TO THIS, OUR PRESENT POPULATION IS ABOUT 16 MILLION AND OUR COUNTRY HAS A GROWTH RATE OF ABOUT 2.6 PER CENT. WITH A RAPID DEMOGRAPHIC GROWTH, THERE WILL BE A CONTINUOUS STRONG DEMAND FOR SHELTER," HE SAID.

THE PRIME MINISTER SAID FOREIGN INVESTORS NEED NOT FEAR AND NEED NOT BE PESSIMISTIC BECAUSE OF THE CURRENT LOW ECONOMIC GROWTH.

HE SAID WITH THE RECENT INTRODUCTION OF VARIOUS MEASURES AND GENEROUS INCENTIVES FOR INVESTMENTS AND WITH THE IMPROVEMENT IN PRICES OF SOME PRIMARY COMMODITIES, MALAYSIA IS OPTIMISTIC OF THE FUTURE OUTLOOK.

MEANWHILE, DATUK ABDUL RAHIM RAHMAN, PRESIDENT OF THE ASIA PACIFIC REAL ESTATE FEDERATION, SAID THERE IS MUCH MORE THAT THE INDUSTRY CAN DO SUCH AS TO ADVISE THE GOVERNMENT OR CLIENTS TO REFURBISH OR REDEVELOP PROPERTIES INSTEAD OF DEMOLISHING OR BUILDING NEW ONES.

"WE CAN ALSO WORK OUT BETTER WAYS OF MARKETING PROPERTIES IN A DEPRESSED MARKET," HE SAID.

AS AN INDUSTRY THAT PLAYS AN INTEGRAL ROLE IN PROVIDING SHELTERS CATERING TO THE DIFFERENT STRATAS OF THE SOCIETY, PROVIDING COMMERCIAL PROPERTIES TO CONDUCT BUSINESS IN A CONDUCIVE ATMOSPHERE AND PROVIDING A SOURCE OF INCOME TO MILLIONS, IT IS OBVIOUS THAT IT PLAYS A VITAL ROLE IN MALAYSIA'S ECONOMIC GROWTH.

THE FOUR-DAY MEETING WITH THE THEME OF "ECONOMIC GROWTH THROUGH REAL ESTATE" IS BEING ATTENDED BY BUSINESSMEN FROM INDONESIA, SINGAPORE, JAPAN, NEW ZEALAND, AUSTRALIA, THE U.S.A., INDIA, PAKISTAN AND TAIWAN. - BERNAMA ES