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Mahathir-components

AUDIT OF PROJECTS TO ADDRESS ACCOUNT DEFICIT

KUALA LUMPUR, Feb 13 (Bernama) -- Datuk Seri Dr Mahathir Mohamad said today all government corporations, agencies and the private sector involved in the construction industry have been asked to carry out audits on their projects in efforts to increase the use of locally made components.

The Prime Minister said the audit was requested with a view to reducing the importation of foreign-made components to check the current account deficit faced by the country.

"Where possible we'll increase local contents and reduce the imported ones. That will take much care of the deficit we are facing at the moment," he said.

He told reporters this after performing the topping-out ceremony for the Petronas Twin Towers, which are part of the massive Kuala Lumpur City Centre (KLCC) project here.

Asked if the affected parties were given a deadline to submit their audits, Dr Mahathir said they had been told to expedite the process.

He said foreign companies might not be happy with the move and might even accuse the government of trying to impose quotas (on construction components).

"They may even complain to World Trade Organisation that we are trying to impose quotas and that we are practising unfair trade. But if we don't, we have a deficit and they complain that we're not managing our economy properly," he said.

On the view that the country's construction sector was going too fast and causing the economy to overheat, he said most of the major projects now were to upgrade the country's infrastructure to meet the needs of big investors.

"You can't have big investments without providing the necessary infrastructure. So all the projects like airports, roads and railways are infrastructure projects to cater for the investors," he said.

Asked if the country would continue to go full speed with all its major projects, he said: "It's not a question of full speed ahead. We try to moderate our growth to eight per cent and it's not a very high growth from our point of view because we have a very low base, unlike in the developed countries."

"Sometimes, it exceeds this speed but we are still targeting an eight percent growth. It's not a very high rate," he said.

On whether the rate would be maintained under the Seventh Malaysia Plan, Dr Mahathir said: "I think so. We'll continue to target for eight percent as long as we can sustain it."

Asked on the apprehension over a possible glut of office space, he said the government was worried about it until developers gave an assurance that such a situation would not occur.

"However, we've slowed down the construction of certain buildings like offices, condominiums and hotels where incentives are no longer given," he said.

On the Petronas Twin Towers project, Dr Mahathir expressed his satisfaction that the buildings, the tallest in the world at 451.9 metres, could be completed in such a relatively short time.

The towers and the KLCC project were launched in September 1992.

At today's ceremony, he signed two special plaques which were later hoisted to the top of the 88-storey buildings, marking the completion of

the superstructures. -- BERNAMA
MAM SJA YBY