

23/07/1998

`Decision a boost for real estate'

KUALA LUMPUR, Wed. - The Government's decision to spend on large-scale infrastructure projects during the current economic downturn will assist the real estate sector.

This was the view of real estate developers gathered here for their 10th national convention to discuss ways to overcome the slowdown in the sector caused by the current stagnation in demand for their services and products.

Participants agreed with the statement by Prime Minister Datuk Seri Dr Mahathir Mohamad yesterday to embark on infrastructure projects to help trigger spin-offs in other sectors of the economy.

President of the International Real Estate Federation Datuk Alan Tong Kok Mau said the move to invest in infrastructure would absorb the over-capacity currently experienced by the cement industry.

"It is a good role played by the Government because once we put money into infrastructure, it will encourage further competitive development in the economy."

Land and General Bhd chairman Tan Sri Wan Azmi Wan Hamzah said the move will stop further slowing of the economy.

"We should all be supportive of any initiative to keep the domestic economy going because there is a danger that too much emphasis on austerity measures will result in the further spiralling down of the economy."

Wan Azmi said the decision, made by the National Economic Action Council, would create "the right environment" to further encourage long-term commitments vital for the real estate sector.

Housing Developers' Association president Eddy Chen said the decision to spend on infrastructure projects would be good for the economy because it would create more jobs.

"These projects will create jobs for our engineers, architects and others in the construction industry.

"Only with proper purchasing power and an improved quality of life could these people acquire houses and other properties. This is the only way the real estate sector can be revived."

In Malacca, the State Government hoped the Federal Government will approve the construction of major infrastructural projects like the RM40 million interchange in Lipat Kajang, Jasin.

Another project waiting for approval is the coastal highway between Kuala Linggi and Merlimau.

Chief Minister Datuk Seri Abu Zahar Isnin said these two projects should be given priority as they could help revive the country's economy.

"The Lipat Kajang interchange project along the North-South Expressway will help in the development of 2,800 hectares in Jasin and Merlimau."

The coastal highway project is supposed to stretch from Banting in Selangor to Gelang Patah in Johor, linking several towns in Negri Sembilan and Malacca.

In Shah Alam, the Selangor Government has set up two bodies to speed up development projects and the privatisation exercise in line with the directive by Dr Mahathir at the recent meeting of Menteri Besar and Chief Ministers.

These are the Special Executive Council of the Economic Action Council, headed by Menteri Besar Datuk Abu Hassan Omar, and the Privatisation Unit,

headed by State Secretary Datuk Hashim Meon.

Announcing the formation of the two entities today, Abu Hassan said both were aimed at rejuvenating the economy by speeding up development projects and the privatisation exercise in the State.

This way, he said, the State Government hoped to rehabilitate supporting industries which had been badly affected by the current economic slowdown.

"Applications for projects and other matters related to them can now be approved faster and will be tabled at the weekly Exco meeting for endorsement," he told reporters after chairing the meeting.

Besides Abu Hassan, the other members of the Special Executive Council are Hashim, State Financial Officer Datuk Abdul Aziz Yusof, State Rural Development, Youth and Sports Committee chairman Datuk Zainal Dahalan and State Village Development, Education, Research and Development Committee chairman Datuk Tang See Hang.

Abu Hassan said the body would be directly responsible for approving all applications related to new development projects which previously needed to be processed first by various other departments.

On the Privatisation Unit whose members would also have an accountant and an economist, Abu Hassan said its only function was to process 46 privatisation proposals received by the State Government which had been pending a long time.

In Seremban, Menteri Besar Tan Sri Mohamad Isa Abdul Samad said banks should assist affected developers in carrying out their projects as this would help activate the economy.

He said the Seremban-Kuala Pilah road straightening project costing RM23 million was among projects identified for implementation.

He said the State would request the Works Ministry to start on the project immediately after the design had been completed.

(END)