

02/09/1999

Bid for foreign jobs, local builders urged

Adeline Ong

MALAYSIAN construction companies securing projects overseas will help boost exports, especially with the country having the capacity and ability to supply good building materials and systems, Prime Minister Datuk Seri Dr Mahathir Mohamad said yesterday.

At a press conference after officially opening International Construction Week at the Malaysian International Exhibition and Showroom in Seri Kembangan, Selangor, Dr Mahathir said the Malaysian construction industry has expanded tremendously in terms of capacity, and it is in the position to export building materials.

"The exhibition itself displays a lot of locally-made and sophisticated high-quality products, including new materials made from rice husks, rice stalks and fibre from oil palm, as well as roofing systems and tower cranes.

"The industry should look forward to securing greater export earnings and reducing imports to attain a favourable trade balance," he said. In his speech at the opening ceremony, Dr Mahathir said the industry should use the experience and knowledge gained through major government projects to secure foreign ventures.

"During times of economic difficulties the opportunities lie outside the borders of the country. In this context, the construction industry must learn from the experience of the larger multinational construction corporations and seek means to establish smart alliances with them.

"However, for a meaningful and sustainable alliance to exist, the companies must have comparative advantages so that they can benefit from the synergy arising out of the alliance.

"Some of the comparative advantages gained by the Malaysian construction industry have been acquired through experience in handling some of the large and sophisticated projects promoted by the Government," Dr Mahathir added.

He said that when the Government decided to proceed with the so-called "mega projects" there were more than one dimensional of tangible and intangible benefits to be realised.

"All great projects such as the Empire State Building in New York, and San Francisco Bridge, and the Chunnel (channel-tunnel) linking France to Britain are all great projects, not so much by virtue of their magnitude or mega sizes but more so by the engineering challenge involved and the knowledge capital that was invested that formed the critical factor of success.

"It is on this very score that multinational construction conglomerates are winning tenders for projects the world over," he said.

Dr Mahathir said although the Malaysian economy is undoubtedly recovering with 1 per cent positive growth in gross domestic product (GDP) within reach this year, the construction industry must not feel triumphant just yet.

"Improvement in this important sector will, at most, be in the form of reduction in negative growth. As the economy recovers, the construction industry will have to wait for its turn to move out of the doldrums.

"This is to be expected as the industry depends to a large extent on derived demand and is dependent upon the economic inertia created by the other downstream sectors, such as banking and manufacturing, which in turn supported the resource-based industries upstream," the Prime Minister.

"As a result of the economic downturn, out of prudence, we unfortunately had to delay a number of large projects which could have brought much benefit to the nation.

"This included the Linear City, the Bakun hydroelectric project, the monorail and a number of airports and highways, some of which are now beginning to take off again," he added.

Projects which were on track and implemented fast, such as the KL International Airport, the Light Rail Transit, escaped the economic hiccup, and were successfully implemented.

"These projects are now providing positive returns since they can now be put to productive use," he added.

Dr Mahathir also said the construction industry was one of the sectors of the economy hardest hit during the economic downturn but this was not something new or peculiar to Malaysia.

"Time and again, as nations go through their economic cycles, the industry will be one of the first to feel the brunt of any slowdown and among the last to benefit from recovery."

International Construction Week is organised by the Construction Industry Development Board of Malaysia (CIDB). It comprises forums, equipment exhibitions and procurement seminars, focusing on the globalised nature of today's construction industry.

Dr Mahathir also witnessed the presentation of ISO 9000 certification to the CIDB before visiting the stalls at the exhibition hall.

(END)