

02/09/1999

Bid for foreign projects, PM tells local building firms

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KUALA LUMPUR, Wed. - The Prime Minister today urged Malaysian construction companies to bid for foreign projects, saying the time was ripe for them to put into practice their experience and knowledge gained in undertaking Government projects.

Datuk Seri Dr Mahathir Mohamad said the construction industry must also learn from the experience of larger multinational construction corporations and seek means to establish smart alliances with them.

"During times of economic difficulty, the opportunities lie outside the borders of the country.

"However, for a meaningful and sustainable alliance to exist, the partners must have comparative advantages that can benefit from the synergy arising out of the alliance," he said at the opening of the International Construction Week at the Malaysian International Exhibition and Showroom (MINES) in Seri Kembangan, Selangor.

Dr Mahathir felt some of the comparative advantages had been acquired by Malaysian companies through experience in handling some of the large and sophisticated projects promoted by the Government.

Also held in conjunction with the ICW are a forum, the Malaysian International Building Exposition, the International Construction IT conference and a construction procurement seminar.

The events are jointly organised by the Construction Industry Development Board and Reed Exhibitions Sdn Bhd.

On the benefits of the construction industry, Dr Mahathir told the audience that there was more than one dimension of tangible and intangible benefits to be realised, especially from the so-called mega projects carried out by the Government.

"On the one hand, there are those who accuse the Government of being extravagant by carrying out development projects. These are people who measure value by merely focusing on tangible benefits.

"But knowledge has an intangible value, yet is as real and this value surpasses most tangible economic value."

Dr Mahathir said there was no denying that large projects would bring attention to the country but of greater importance was the investment in knowledge that they brought.

He said the Great Wall of China, the Empire State Building, the San Francisco Golden Gate Bridge and the Chunnel (Channel-Tunnel) linking France to Britain were all great projects not so much by virtue of their magnitude or megasize, but more so by the engineering challenge they involved and the knowledge capital that was invested.

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

Dr Mahathir spoke of how Malaysia had also invested in knowledge - through the construction of various projects like the Kuala Lumpur International Airport, in which the challenge was in project management, and Putrajaya where the speciality was in the ability to harmonise a modern built-up environment with Mother Nature.

He said the Government had done its part by setting the stage for the development of knowledge in the construction industry and it was now up to the players to seize the opportunities available, to prise open overseas markets and to develop a global competitive advantage.

At a Press conference later, the Prime Minister said by securing foreign

projects, Malaysian companies were actually exporting their skills, expertise and Malaysian-made building materials.

"Our capacity in the construction industry has increased tremendously and we are in a position to export building materials, building systems and others," he said, adding that this would help reduce imports and create a trade balance in favour of the country.

On whether the Government would continue to allocate funds for construction projects, he said this would be continued with some administrative adjustments to prevent money from not being used.

"Sometimes, funds are allocated but they are not spent by the end of the year, due to tedious tendering process and bureaucratic delays. When this happens, the construction industry does not get the benefit and the economy does not grow."

On whether the Government would continue with the mega projects that had been put on hold, Dr Mahathir reiterated that they should not be termed as such.

When the private sector embarked on projects like building townships costing billions of ringgit, he said no one complained but when the Government started on some projects on a similar scale, these were labelled extravagant.

He said phrases like mega projects, cronyism and transparency were coined by foreigners and it was sad that locals had adopted them without much thought.

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