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Dr M: Important to spend funds allocated for projects

THE Government will continue to allocate funds for construction projects but it is important to spend the allocations, Prime Minister Datuk Seri Dr Mahathir Mohamad said yesterday.

"Sometimes we allocate funds for development but they are not spent. At the end of the year, the money is still there because the bureaucratic process takes one whole year and the money is not spent.

"If the money is not spent, the construction industry does not get the benefit and people who supply building materials do not make money and the economy does not grow."

Some administrative adjustments will have be made to prevent money from not being used, he said.

Speaking at a press conference after officially opening International Construction Week at the Malaysian International Exhibition and Showroom in Seri Kembangan, Selangor, Dr Mahathir said every project in Malaysia is a "mega project".

"Look at the private sector. Take Sunway Lagoon, for instance. It is an entertainment centre but it is a mega project ... a whole town was built and billions of dollars was spent.

"Even the housing project by Land & General ... 18,000 houses were built. In Malaysia, we build whole towns, we do not build just one house or one row of shophouses. That has been the tradition in Malaysia - to build completely new towns.

Those were mega projects and nobody complained, the Prime Minister said. But when Government started some projects on a similar scale, these were labelled extravagant, he added.

Phrases such as 'mega projects' were coined by foreigners, Dr Mahathir said, and locals just adopted them without giving it much thought.

Asked if the Government will do anything to spur the construction industry, he said the Government had carried a month-long property ownership campaign.

"We will be having another one which will last one and a half months. The Government is willing to forgo taxes, stamp duties, all kind of things. What more incentives do you want?

"Go to other countries ... find out what they are doing to sell their houses. No way are the other governments going to give up taxes. They impose new taxes."

Asked whether the 1 per cent growth projection for Malaysia for 1999 will be revised, Dr Mahathir said the Government will first have to look at the third quarter's performance.

He said any revisions will be announced at the Budget, adding: "We are conservative. We do not have to tell people we are doing wonderfully."

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