

01 SEP 1999

Mahathir-Construction

PM TELLS BUILDERS TO SECURE FOREIGN PROJECTS

KUALA LUMPUR, Sept 1 (Bernama) -- The Malaysian construction industry should use the experience and knowledge gained through major government projects to secure foreign ventures, Prime Minister Datuk Seri Dr Mahathir Mohamad said today.

He said during times of economic difficulties, the opportunity lay outside the country's borders and the industry should 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," he said when launching the 1999 International Construction Week at the Mines Exhibition Centre in Sungai Besi here.

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

Dr Mahathir said the comparative advantages gained by the Malaysian construction industry had been acquired through experience in handling some of the large and sophisticated projects promoted by the government.

He said all great projects such as the Empire State Building in New York, and San Francisco Bridge, and the Chunnel (the tunnel underneath the English Channel) linking Britain and France were known 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 was undoubtedly recovering with one per cent positive growth in Gross Domestic Product (GDP) within reach this year, the construction industry must not be triumphant just yet.

" Improvements 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," he said.

The prime minister said this was to be expected as the industry depended to a large extent on derived demand and was 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.

He said the 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 cycle, the industry will be one of the first to feel the brunt of the economic slowdown and among the last to benefit from the economic recovery.

" After all, the industry is acknowledged to be one of the barometers of the economic health of any nation," he said.

The prime minister also witnessed the presentation of certification of ISO 9000 to CIDB before touring the various stalls at the exhibition hall.

Dr Mahathir, an avid wood-working hobbyist, spent more than an hour visiting several booths belonging to Malaysian and foreign companies displaying construction materials and equipment.

At a Press conference later, he said securing construction projects abroad would help boost exports especially with the country having the capacity to supply good building materials.

He said the on-going exhibition alone displayed a lot of locally-made and sophisticated high quality products, including new materials from rice husks, rice stalks and fibre from oil palm, as well as roofing systems and tower cranes.

"Our capacity in the construction industry has increased tremendously and we are in the position to export building materials," the prime minister said.

The industry should look forward to securing greater export earnings and reducing imports to attain a favourable trade balance, he added.

-- BERNAMA

GM RYN