

Power tycoon helps drive local tourism

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SIPPING a Perrier, Tan Sri Francis Yeoh sits in a glass-walled bistro watching people fill up sidewalk cafes he has created along a busy shopping strip.

"When I first thought of this place, I realised you needed a place where you could eat and watch people at the same time," said the managing director of Malaysia's YTL Corp Bhd.

One of Malaysia's ton tycoons, Yeoh has built skyscrapers, power plants and hotels.

Now he is passionate about eateries and a slice of Kuala Lumpur that he hopes will become a regional tourist attraction.

"The chefs at my restaurant do Italian, Japanese, Chinese and grill. But they cook right in front of the customers," Yeoh said. "If I hid them behind counters, I think the restaurant would be empty."

It's Friday at Bukit Bintang, the capital's shopping hub and whose fringes contain one of the capital's main red-light districts.

Office workers leaving their buildings in an evening drizzle hop into restaurants, coffee bistros, ice-cream parlours and bars that pave the walk along two malls and two hotels operated by YTL. As night falls and the weekend beckons, the crowd swells.

The sidewalk is called Bintang Walk. It is the capital's newest tourist attraction, offering delights such as Austin Chase coffee and Haagen Dazs ice cream in glass-walled or open-air eateries under huge canopies and thematic lighting.

Launched in December by YTL, which runs four of the 20-odd outlets, Bintang Walk falls under a government plan to make Kuala Lumpur a shopping haven like Singapore and Hong Kong by 2003.

The 44-year-old Yeoh has been entrusted with pulling together private sector help

for the plan.

Forbes magazine in its latest roundup on global billionaires, put Yeoh as Malaysia's fifth richest tycoon, with an estimated personal worth of US\$1.2 billion (US\$1 = RM3.80).

Established in 1955, YTL, the construction firm, was still the responsibility of his father, Tan Sri Yeoh Tiong Lay, when the younger Yeoh returned from London with an engineering degree in 1978.

Under his charge, the company expanded aggressively into power generation, property and hotels.

One of Yeoh's boldest moves before Asia's financial crisis was to fund YTL Power Bhd with ringgit-denominated bonds when other utilities in the region borrowed in US dollars.

When the crisis hit and Asian currencies fell against the US dollar, many regional utilities went bust. YTL, little hurt by the ringgit's depreciation, posted profits in the ensuing recession.

In 1998, YTL was expanding while many Malaysian firms were on the verge of bankruptcy. The company picked up the J.W. Marriot hotel, the Star Hill and Lot 10 malls along Bukit Bintang at a fire-sale price of RM323 million.

YTL already had the five-star Ritz-Carlton Hotel in Bukit Bintang before it bought the three properties. With the new acquisitions, Yeoh began developing Bintang Walk which covers about 1km length of shopping malls.

Yeoh's close ties with Prime Minister Datuk Seri Dr Mahathir Mohamad, who shares his passion for Italian opera and innovation, is a point the market regularly makes when analysing YTL's potential.

But Yeoh plays down the link.

"The PM's philosophy is

to encourage businessmen to make more profits, so they'll pay more taxes. My relationship with him is nothing more than a fact that I am a responsible taxpayer."

He says YTL's success in clinching government contracts stems from its ability to offer consumers low prices.

He cites power sold to the Government at 3.8 US cents per kilowatt/hour while other utilities in the region charge six to seven cents.

Another deal he likes is a planned RM40 electric train ride from the capital to the airport, which is 75km away. The cab fare, in comparison, is at least RM60.

Talking about the tourism plan, Yeoh said there was once a 20 per cent import tax on branded leather goods which made them more expensive in Malaysia than in Singapore and Hong Kong.

But while developing Bintang Walk, he managed to convince the Government to drop the tax. "Now a Louis Vuitton bag in Kuala Lumpur costs the same as in Singapore."

Retailers saw the value, he said. Esprit expanded its floor area at Star Hill from 1,000sq ft to 6,000 while Louis Vuitton has taken a second floor.

Like many others, Yeoh sees the future in e-commerce and announced in May the setting up of YTL e-Solutions Sdn Bhd. The new firm will set up Bintangwalk.com, where one can do a virtual stroll of the precinct and make hotel and restaurant bookings.

"We have 500,000 customers and want to retain them by offering value-added services," he said.

"But we won't be buying dotCom companies. We want to cut off the middlemen who add to cost and bring no value." — Reuters