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Large-scale projects can help stimulate Pahang's economic growth

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OPERATING on a stretched budget, the Pahang Government has been forced to adopt a cautious approach when dealing with proposals for large projects.

In the last two years, major development projects were rarely seen in the State.

The downturn in recent years has resulted in the shelving of several large projects, including the State Legislative Assembly and State Public Library.

Menteri Besar Datuk Seri Adnan Yaakob has admitted that not many large-scale projects were implemented since he took over in May, 1999.

But now, things are set to change. It is rather fortunate that the State Government has realised that without large projects, it will be difficult to stimulate the economy.

Adnan said development projects would not only benefit the people but would also help stimulate the State's economic growth.

If one cares to adopt lateral thinking, unusual ideas can crop up as to how things can be done although they may sound illogical.

And this is exactly what the State Government is doing.

From now on, it will adopt the cross-subsidy, design-and-build and deferred payment concepts in implementing projects.

These strategies will get the projects moving without the State Government having to fork out funds during the initial stage.

The cross-subsidy concept has been tried and proven effective in the implementation of public low-cost housing in the State.

So far, it has attracted five companies which has agreed to build 3,000 low-cost units.

Under the concept, private developers will specifically build the low-cost units on designated locations. In return, they will be given land elsewhere where they can embark on mixed-development projects and through this arrangement can recover their investment and make profits.

The State Government is expected to use this concept in other development projects.

As for design-and-build, payments will be made only when developers have handed over the completed projects to the State Government.

The deferred payment will allow the State Government to pay contractors in instalments.

These concepts will attract the participation of the private sector in the development of the State.

"The State Government has received a lot of proposals from the private sector to carry out projects under the design-and-build concept," Adnan said.

However, the State Government will first seek the consent of Prime Minister Datuk Seri Dr Mahathir Mohamad, Deputy Prime Minister Datuk Seri Abdullah Ahmad Badawi and Finance Minister Tun Daim Zainuddin before implementing the concepts.

Adnan said when the construction industry is active, many sectors would stand to benefit.

Citing an example, he said the State Public Library would benefit the people, especially students.

"Simultaneously, the project will benefit suppliers of building materials like wood, steel and cement, fuel, and vehicles in the course of its implementation. Jobs will be created."

Besides low-cost houses, the new library and State Legislative Assembly, other projects to be implemented using these concepts include government offices, mosques and living quarters for civil servants.

A committee has been formed to vet proposals for these projects.

Adnan said the formation of the committee would help prevent allegations of nepotism, cronyism or that of the "one-man-show" kind of administration in the implementation of projects in the State.

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