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Budget-Contractors/BM

CONTRACT VALUE OF ALL CLASS BUMI CONTRACTORS INCREASED

KUALA LUMPUR, Sept 20 (Bernama) -- The value of government contracts for all class of Bumiputera contractors has been increased between one and nearly four times to provide opportunities for them to secure bigger contracts as the value was never revised since 1970s.

The 2003 Budget tabled by Prime Minister Datuk Seri Dr Mahathir Mohamad proposed to increase the contract work value for Class A contractors from RM4 million to RM15 million or more;

For Class B, between RM2 million and RM8 million to RM5 million and RM15 million;

For Class C, between RM750,000 and RM2 million to RM2 million and RM5 million;

For Class D, between RM150,000 and RM750,000 to RM500,000 and RM2 million;

For Class E, between RM100,000 and RM350,000 to RM200,000 and RM500,000; and Class F from RM100,000 to RM200,000.

"I hope that Bumiputera contractors will enhance their entrepreneurship and technical capacity to take advantage of their higher rates and to ensure higher quality of works," he said.

He said implementation of rural infrastructure projects, including construction of village roads and bridges, repair of buildings such as suraus, community halls and basic facilities would provide more opportunities to Class F Bumiputera contractors.

He said RM963 million would be spent this year and distributed equitably with priority given to poorer states and those with larger interior areas.

On government efforts to create progressive Bumiputera contractors and entrepreneurs, Dr Mahathir expressed regret that there were Bumiputera contractors who were unable to complete their projects despite the provision of many facilities and relaxation of conditions.

There were also those who sell the contracts to obtain quick profits, he said.

"This irresponsible action has jeopardised the government's efforts to create a Bumiputera Commercial and Industrial Community," he said.

As such, Dr Mahathir said the government would be more cautious in awarding contracts only to those who are committed, responsible, have proper organisation, adequate capital as well as strive hard to become successful entrepreneurs in the construction industry.

Those who sell contracts and do not actively manage the contracts would be blacklisted, he said.

Touching on efforts to increase the number of Bumiputeras in the retail sector, he said the government had allocated RM50 million for the second phase of the Bumiputera Entrepreneur Project (PROSPER).

The first phase of this project this year involving RM15 million is being implemented, where 155 companies, of which 21 owned by ex-servicemen, have been approved, he added.

-- BERNAMA

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