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REACTION-CONTRACTORS

NOT EASY TO DEAL WITH PROBLEMS FACING BUMI CONTRACTORS

KUALA LUMPUR, Sept 20 (Bernama) -- Many bumiputera business leaders agree that the government should be cautious in giving contracts to the bumiputera contractors but maintained that the issue surrounding bumiputera contractors is no simple matter.

The issue is more complicated as a lot of factors are involved, the President of the Selangor Malay Chamber of Commerce, Datuk Raduan Mohd Taib, said when commenting on the 2003 Budget tabled by Prime Minister Datuk Seri Dr Mahathir Mohamad at the Dewan Rakyat here today.

Dr Mahathir had said that contracts would only be awarded to those who were committed and responsible while those who sold their contracts would be blacklisted from now on.

In a move to help bumiputera contractors, the prime minister announced in the 2003 Budget that the contract value for each class of bumiputera contractors would be increased to provide opportunities to them to secure larger contracts as the present rates had not been reviewed since the 1970s.

Raduan said among the discouraging factors affecting bumiputera contractors was that the contracts were not awarded to genuine contractors but to those who were well-connected and not really involved in the contracting business.

Such contract awards often led to failures and were further compounded by other difficulties faced by the bumiputera contractors like sourcing for building materials and sabotage, he alleged.

Raduan, who called upon contractor associations to regulate their members, also said that there was a need to establish quality contractors.

Stressing that emphasis should not be on quantity, he said there were about 20,000 Class F contractors in Selangor but hardly any jobs for many of them.

Raduan said the government should help problematic contractors only once and should also support those who had survived previous business "ordeals".

Meanwhile, the coordinating chairman of the Class F Bureau for the Federal Territory Association of Malay Contractors, Ahmad Awang, said the increase in the contract value would provide opportunities for a better future among Malay contractors.

Accepting the need for the government to be cautious in awarding contracts to bumiputera contractors, he, however, believed that these contractors would still need to be helped.

In general, he said not all bumiputera contractors were bent on getting quick money by selling contracts as some of them were able to move forward without resorting to such deals.

He divided the categories of bumiputera contractors into three: genuine ones, part-timers and brokers.

The part-timers, he said, used their names to get the projects but others to carry them out while brokers were the ones selling the contracts.

Ahmad also lamented the fact that although some privatised projects were given to bumiputera sub-contractors, this did not help them much as they had to contend with extremely narrow margins. -- BERNAMA

SHO SHY