

30 JUN 2003

SPN-JAMALUDIN

LOW AND MEDIUM COST PROJECTS CAN CREATE ECONOMIC ACTIVITY WORTH RM48

BLN

KUALA LUMPUR, June 30 (Bernama) -- Low and medium cost houses to be built through Suruhanjaya Perumahan Negara Bhd (SPN), has the potential to create economic activity worth RM48 billion over the next five years, Second Finance Minister Datuk Dr Jamaludin Jarjis said.

SPN has plans to build 37,000 units beginning this year, he told reporters after meeting SPN officials here, today.

Prime Minister Datuk Seri Dr Mahathir Mohamad in announcing the economic package last month said that there were plans to build 150,000 low and medium cost houses worth RM6 billion over the next five years.

Jamaludin said that the low and medium cost houses projects would also have recreational facilities and other basic amenities.

"Every one ringgit invested in the real estate will create economic activity worth RM8," he said.

Jamaludin added that the construction sector was very important for the country's economic growth.

"That was why the Cabinet wants the Finance Ministry itself to look at the implementation of the strategies launched recently," he said.

He said that the low and medium cost projects would be funded by the pension funds, which would see a stable income generated (for the funds), as the projects are guaranteed by the government.

"This is normal (using pension funds). In the US and European countries the pension funds are used to develop the real estate sector," he said.

Jamaludin said that most of the projects are likely to be around the Klang valley but Sabah, Sarawak, Kelantan, Terengganu, Kedah, Perlis and Johor would also be considered if there are demands.

He also said that buyers of houses worth RM40,000 or less could sell it and shift to more comfortable houses.

However, the price should not be more than the market price, and the seller should obtain SPN's approval.

After selling the house, the seller is not allowed to apply for low or medium cost houses, he said.

Commenting on fraudulent loan applications for the micro-credit scheme for small-scaled businesses, Jamaludin said: "We have in fact directed Bank Simpanan Nasional (BSN) and Bank Pertanian Malaysia (BPM) to scrutinise the applications to ensure that they are genuine."

He said that the majority of borrowers had started to make payments and that those who made the fraudulent applications are minute.

As at June 26, BPM has received applications worth RM164.57 million for the micro-credit scheme and approved loans worth RM65.48 million while BSN has received applications worth RM77.84 million and approved loans worth RM0.52 million. -- BERNAMA

SM FR