

11/06/2003

Dr M: Choose with care (HL)

Firdaus Abdullah

PUTRAJAYA, Tues. - State Governments have been directed to stop approving unnecessary property development projects as the overhang in the sector is serious.

Prime Minister Datuk Seri Dr Mahathir Mohamad said local authorities should not be influenced by developers wanting to implement more projects without due consideration for their marketability.

"It is a directive to State Governments to pay a little bit more attention to these things, to tell the local authorities not to approve (property projects) unless there is a market," Dr Mahathir, who is also Finance Minister, said at a Press conference after attending the fourth session of the pre-Budget dialogue at the Ministry of Finance.

Also present were Second Finance Minister Datuk Dr Jamaludin Jarjis and Deputy Finance Ministers Datuk Shafie Salleh and Datuk Chan Kong Choy.

"This is very important. We find local governments approving without thinking about whether or not there is a market for the property. As a result, there is a big property overhang around Kuala Lumpur and other towns."

Today's dialogue session was attended by menteriis besar, chief ministers and members of the Backbenchers Club.

The Prime Minister said Kuala Lumpur had a peculiar problem because while development within the city was controlled, developers moved to the suburbs and started their projects with approval from the State Governments.

"Many people are building just outside the city to actually serve Kuala Lumpur. So, suddenly we find that we have too many houses, shops and office spaces just around the city which cannot be sold."

Emphasising that the problem was serious and required special attention from State authorities, Dr Mahathir said such problems existed in other towns and cities too. He said Johor Baru, for instance, was over built.

Asked if the directive translates into a blanket ban on high-rise projects within the city or in the suburbs, Dr Mahathir said it was not necessarily so.

"If there is a market, yes (should be approved), but at the moment, we find some (unsold) buildings. There is one whole town almost built in Serdang (Selangor) that is empty now because there is no market."

He said local councils couldnot be squarely blamed for the problem as some might have been too enthusiastic in wanting development in their area of jurisdiction. However, he advised them to look at the "big" picture.

He also chided State Governments for their tendency to demand huge fund allocations from the Federal Government. Previously, the requests ran into hundreds of million, now they were in the billions.

"Some think that the Federal Government has unlimited funds," said Dr Mahathir.

"It's not true. Our funds are not unlimited. It's actually limited and we must be prudent in spending it.

"That is why I reminded State Governments and also the private sector not to simply request huge allocations which run into billions of ringgit."

The Prime Minister said that while the Government understood that States were keen to compete with each other, they should be realistic and not make empty promises to the people.

"Generally, we are more successful and developed than any other developing country. But there tends to be pockets of areas where some of the facilities are lacking. It's a gradual process."

Separately, on the appointment of a Transport Minister to replace Datuk Seri Dr Ling Liong Sik, Dr Mahathir said: "God willing, if nothing goes wrong, I will appoint one."

When reminded that he had said he would make the appointment upon his return from his overseas trip, he said: "Yes, I'm back. I didn't say immediately or three days after I come back."

On the detention of Myanmar Opposition leader Aung San Suu Kyi by the military junta and Malaysia's stand on the matter, Dr Mahathir said Kuala Lumpur had stated its stand very clearly.

"We would like to see Suu Kyi released immediately. That is our stand."