

## **The Official Opening Of The "FIABCI World Congress 2002"**

PWTC, Kuala Lumpur 29 May 2002

"BUILDING THE PROPERTY VISION"

Thank you for inviting me to officially open the 53rd FIABCI World Congress 2002. Let me also welcome all delegates and participants to this congress.

2. I'm proud that this congress is held in Kuala Lumpur with the theme "Building the Property Vision-The Global Experience". I'm also proud to know that this World Congress is co-organised by the Ministry of Housing and Local Government, Malaysia and supported by the Ministry of Culture, Arts and Tourism, Malaysia. This congress is also officially endorsed by Malaysia External Trade Development Corporation (MATRADE). This auspicious World Congress has also received tremendous support from the local corporate sector.

3. FIABCI is the French acronym for the International Real Estate Federation, a United Nations accredited agency and a member of the World Habitat Forum seeking to improve the quality and competitiveness of the property industry through the sharing of knowledge, information and business opportunities at the local, national and international level.

4. FIABCI Malaysian Chapter was established in 1977 and its members are prominent professionals from the Malaysian real estate fraternity. FIABCI Malaysian Chapter's role is in line with the International Real Estate Federation's statement. It is in line with our Vision 2020 that emphasises on long-term development plans to build an advanced and forward-looking nation.

5. The basic needs for us as human beings are food, clothing and a roof over our heads. As we become more and more civilised all these three simple needs take on a more complex character. We do not want just to fill our stomach but we want tasty nourishing food presented in a palatable manner. And each civilisation defines its own taste and presentation. The same applies to the clothing that we wear.

6. But the simple roof over our heads has become amazingly complex and reflects the level of our culture and civilisation more than any other aspect of our life. From the caves as shelter to the mega cities of today, there has been a tremendous leap forward.

7. Cities used to grow of their own volition, without order and planning. Many cities are mere amalgamation of adjacent villages. Consequently they are not really capable of coping with the problems of masses of people living together. Primitive societies could not become urbanised because they could not tackle the problem of roads and streets, of water supply and sewerage disposal, of conflicts between the inhabitants. The city-state of ancient Greece developed and prospered because they were able to devise Governments for the cities and rules and regulations and laws to discipline the people. Elsewhere the cities were less able to cope with growing urbanisation.

8. Perhaps the greatest invention to benefit human habitation was the water carriage system. Without it cities could never grow so big nor buildings so tall.

9. We take the modern building with its water and electricity supply for granted now. But in Malaysia only half a century ago most towns and parts of the cities were without water carriage system and electricity. In some countries in Southeast Asia this is still the situation. Even when there is, the quality is still poor, the supply uncertain.

10. Even in the most modern cities slums and squatters detract from the modernity of these cities. Migration from the rural areas and the influx of foreign workers contribute much to the squalor of the city slums. The challenge for the Governments, city planners and the developers is how to provide better housing and a good environment for all, especially the poor.

11. Malaysia is trying to tackle the problems but of necessity harsh attitudes and actions have to be taken. No one likes to see the poor or the seemingly poor ejected from their homes, no matter how shabby and squalid they may be. But failure to clear up city squatter areas can result in serious health problems, disastrous fires, breakdowns of law and order and often riots and mayhem. It is amazing how squatter settlements can double in size almost overnight. Then it will become totally unmanageable.

12. During the Sixth Malaysia Plan (1991 to 1995), private developers successfully achieved the target of building 217,000 low cost houses. Then came the Asian Financial crisis, which forced the government to focus on economic recovery rather than tackling social problems. A property overhang developed and threatened to bankrupt many real estate developers, imperilling the banks. A special effort had to be made to promote the sale of property with the government foregoing stamp duties and bringing all the

government agencies together to accelerate the processes of ownership transfers. The developers cooperated by participating in a one-spot property sale, bringing along the lawyers, banks, models as well as offering discounts.

13. During the Seventh Malaysia Plan (1996 to 2000) a total of 859,480 units of houses were completed with 121,624 units built by the public sector and 737,856 units built by the private sector.

14. During the Eighth Malaysia Plan (2001 to 2005), the government is targeting the construction of 615,000 units of houses including 312,000 units to be built by the public sector and 303,000 units by the private sector. This joint involvement of the public sector and the private sector in the housing industry is a good example of the Malaysia Incorporated concept functioning. The government would continue to encourage the building of more medium-cost and low-cost houses to meet the increasing demand. Equal attention will be given to quality housing with all the necessary infrastructure facilities for sports, recreational and cultural activities.

15. The Malaysia Incorporated concept provides the private sector with easy access to Government Departments and officials in order to air their grouses and to make suggestions on how the government can improve its services. Most importantly both sides not only learn to understand each other better but to work on suggestions and ideas to improve the services.

16. Globalisation is facilitated and driven by technological advancement. The information revolution is already bringing cities together in a complex global system of interaction and interdependence. Thus we need to anticipate the problems arising from the rapid growth of our cities. More importantly we must cope with these problems effectively through sound, innovative planning and design to provide quality living for our people. This congress therefore presents a good opportunity to discuss the harnessing of the forces of globalisation in the property sector for mutual benefit.

17. Malaysia faces challenges at both the global and domestic fronts. Globally the rules of competition have changed with the coming of the Information Age and a more integrated global economy as well as greater liberalisation of the market. A country's competitive advantage is no longer dependent on factors such as labour, land, natural resources but on its potential to produce, acquire, utilise and disseminate knowledge. In this respect the government will introduce appropriate measures to develop greater economic

resilience to enable the country to withstand the negative impact as a result of globalisation. The corporate sector will need to strengthen itself by focusing on their core activity, improving efficiency and productivity as well as enhancing their administrative and financial management capabilities. They must also achieve a higher standard of professionalism and maintain their credibility and integrity.

18. In line with the ICT revolution, Malaysia established the Multimedia Super Corridor (MSC) in 1996 to provide the catalyst for IT development in the country. To provide a more formal and focused structure of IT policy and programme, the National Information Technology Council (NITC) comprising members from the public and private sectors was established. NITC has launched five strategic agenda; E-Learning, E-Community, E-Public Service, E-Sovereignty and E- Economy.

19. The Government will encourage the private sector to focus their efforts on the provision of IT and establish educational institution and training programmes at the degree and diploma level. The educational and training programmes are expected to provide knowledgeable, highly-skilled manpower who are computer literate, disciplined, possessing high moral values and good work ethics.

20. The Government will also promote R&D activities related to production of cheaper building materials and better construction techniques with a view to improving the quality and safety of houses and ensuring their affordability. The property sector will also address a more broad-based agenda such as fulfilling the needs of the elderly and disabled, energy efficient design and garden city concept. Emphasis will be given to the maintenance of high-rise building.

21. I hope this congress will be very productive and exciting. It offers opportunities to evolve new ideas to further enhance the property sector.

22. I am confident that this congress will become an unforgettable event for all the participants for many years to come.

23. On this note, I have great pleasure in officially declaring open the FIABCI World Congress 2002.