

SPEECH BY: DATO' SERI DR. MAHATHIR BIN MOHAMAD  
( PRIME MINISTER )

EVENT: THE 1987 ASIA-PACIFIC REAL ESTATE CONGRESS

VENUE: THE DEWAN TUN ISMAIL PUTRA WORLD TRADE CENTRE, KUALA LUMPUR

DATE: 02 SEP 1987

TIME:

Dato Abdul Rahim Rahman,  
Chairman of the Organising Committee and  
President of the Asia Pacific Real  
Estate Federation;

Mr. Albert Fish,  
World President of the International  
Real Estate Federation (FIABCI);  
Distinguished delegates;

Ladies and Gentlemen,

I would like to thank the organising committee of the Congress for inviting me to officiate the opening of this Congress. I would also like to thank the Council of Asia Pacific Real Estate Federation for choosing Kuala Lumpur as the venue for this year's Congress and to congratulate the Malaysian Chapter and the Institution of Surveyors, Malaysia for organising it and the Housing Developers' Association for co-sponsoring the event. To the foreign delegates, I wish you all a very warm welcome.

Ladies and Gentlemen,

2. It is appropriate and beneficial that you all have a chance to meet and exchange information and new ideas for the advancement of the real estate industry. This sector in Malaysia is currently facing difficulties after the many real estate booms which we had enjoyed. I believe that others in the Asia-Pacific region too have faced similar problems. The Congress would also provide the participants an opportunity to learn and discover innovative and efficient approaches to solve contemporary problems related to the industry. In this context, the theme of your Conference "Economic growth through real estate" is indeed appropriate.

3. This Congress provides an opportunity for delegates from the Asia-Pacific region to forge greater rapport and understanding. It will also encourage greater internationalities and promote more real estate investment among the Asia-Pacific nations. Furthermore, it serves to provide the professionals and the public in general a greater understanding of the industry through presentation by professional speakers on various aspects of their areas of expertise. I have been told that the papers to be

presented touch on a variety of subjects relevant to the developing countries of the Asia-Pacific region.

Ladies and Gentlemen,

4. Touching on the economic situation in Malaysia, in the past we depended largely on primary commodities such as tin, palm oil, rubber, and cocoa. Like other primary commodity producers, our economy has also been affected by the global recession. Fortunately, we recognised the need to diversify our economic activities early. The main thrust of the diversification strategy has been in industrialisation. In line with this strategy, we embarked on a programme of industrialisation with emphasis on manufacturing for export from more than a decade. This strategy has proven to be right and our achievements in the manufacturing sector in the last few years have helped to cushion the effects of declining commodity prices and demands. With the recent introduction of various measures and generous incentives for investments, and with the improvement in prices of some primary commodities, we are optimistic of the future outlook.

5. In the past, our economy has achieved an average of 6% growth per annum. However, foreign investors need not fear and need not be pessimistic because of the current low growth. Although we are not yet an industrialised country, we have achieved a high degree of success in our industrialisation. As a matter of fact, we have entered the high-tech and heavy industry areas. The formulation and implementation of the Industrial Master Plan, with an emphasis on export-oriented manufacturing sector, will accelerate further industrial growth. We also have the resources, ingredients and resilience to steer us out of the present setbacks to higher economic growth in the years to come.

6. Given that economic background, the construction and real estate industry used to be one of the pillars of Malaysia's economy and has experienced rapid and vigorous growth until 1984. It has advanced from developing small estates to well-planned townships. Where development companies were once mere family businesses, Malaysia now boasts of large conglomerates to equal any that other nations have to offer. Since then, the industry has faced problems arising from the backlash of the economic recession. But I must emphasize that we have a property-owning policy which has generated many booms, and we are confident that the policy can help to rejuvenate the real estate industry.

Ladies and Gentlemen,

7. Malaysia is making every possible move to help and boost the real estate industry. Such measures include lowering alienation premiums, reduced land use conversion

charges, trimming of infrastructural requirements, minimising red tape to quicken the approval process, cheaper financing charges, enabling partial withdrawal of contributions of the Employees Provident Fund for purchasing of houses, just to mention a few from the long list of measures that we have introduced and implemented.

8. One of the significant changes that we have made is to enable foreigners to purchase various types of real estate, namely agricultural, residential, commercial and industrial. Perhaps, investors should take this opportunity to invest in real estate in Malaysia as long-term investment. In relation to that, our present population is about sixteen million and our country has a growth rate of about 2.6%. With a rapid demographic growth, there will be a continuous strong demand for shelter.

9. There is still a shortage of housing for the lower and medium-income groups. In order to cater for the lower-income group, we have introduced and implemented a special housing programme which has set a target of 80,000 homes per annum for three years from 1986. Although we have technocrats and professionals looking into more expeditious methods of constructing buildings with some of them already in use, there is still room for further foreign expertise and capital investment in this sector.

10. There is also a strong demand for medium cost houses throughout the country. With lower prices for some building materials and reduction in construction costs, developers and entrepreneurs with right strategies can enjoy a reasonable margin of profit.

Ladies and Gentlemen,

11. I hope that your deliberations at this Congress will generate mutual benefits to our respective nations. I also hope you will have a pleasant stay in Kuala Lumpur and that you will also have the opportunity to visit other places in Malaysia. I now have much pleasure in declaring the 1987 Asia-Pacific Real Estate Congress open.