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Special Keynote Ministerial Session at the 14th National Housing & Property Summit 2011

(Kuala Lumpur) The annual 14th National Housing and Property Summit 2011 with the theme Sustainability and Growth in the Housing and Property Industry organised Asian Strategy & Leadership Institute (ASLI) brought together key players and stakeholders in the Housing and Property sector over a 2-days conference the Sunway Resort Hotel & Spa.

YB Dato Wira Chor Chee Heung, Minister of Housing and Local Government Industry, graced the 14th National Housing and Property Summit 2011 this morning. In the Keynote Address, YB Minister acknowledged that the housing and property sector should not focus solely on creating revenue and profit for the developers and their shareholders. YB Minister regreted that we (human) tend to behave like master of the environment, and this is why we are grappling with man-made global warming and climate change.

The Malaysian economy grew rather slowly at 4% in the second quarter of 2011, and this was due to the decline in exports arising from a slack in demand for our products. The underlying reasons that contributed for this slower growth rate were the unresolved economic crisis in US and the perilous sovereign debt problems in Europe as well as the disruption of manufacturing supply chain emanating from the unfortunate tsunami disaster in Japan.

According to YB Minister Chor, Malaysia did not suffer a negative growth in the second quarter despite the contraction in the exports of goods because the decline in exports was offset by the strong demand for our primary commodities like palm oil, rubber, and other resources-based products.

“Strong demand from China and neighbouring countries has also boost our primary commodities sector”, YB Minister said.

Malaysia’s growth outlook which is overdependence on the external demand means that it is imperative for Malaysia to look for new markets within the ASEAN, China and India blocks and also an endogenous key driver of growth to cushion our economy from the uncertainties in the inter-linked global economy. This however, would also mean that economic sectors that can spur domestic investments and consumption can be identified. According to YB Minister, the domestic demand is no substitute for external demand as a source of growth because there is a limit to both domestic consumption and investment. In this regard, the housing and property sector can fulfil this role as the endogenous driver of economic growth because the housing and property sector has a higher multiplier effect due to the relatively low import content of housing output. High local content means that it will generate growth and employment to other related sectors in the construction industry.

“By developing a housing estate, we will involve 144 sub-sectors in our economy”, said the Minister.

On the National Housing Policy, YB Minister briefed the delegates that the Government’s plan to build around 78,000 units of houses under the “Program Perumahan Rakyat” throughout Malaysia is a people-centric initiatives, which aims at benefiting the rakyat from the lower-income group.

On the 1Malaysia Housing Programme or PR1MA, the policy is aimed at providing affordable housing for the ordinary Malaysians who earn less than RM6000 a month. “ Government agencies such as the Bank Negara Malaysia and my Ministry shall continue to monitor and innovate the development of the Housing and Property Industry of Malaysia”, YB Minister reiterated.

According to YB Dato Wira Chor, ‘going green’ is not enough and YB thinks that it should be ‘embracing green’. The ‘Embracing Green’ agenda should be the main agenda for the housing and property sector as its growth and development will create urban sprawl and traffic congestion that will impact the environment. The environment impact is expected to grow worse in Greater KL @ the Klang Valley as its population is projected to expand from the existing 6 million to 20million by the year 2020.

YB Minister also briefed the delegates that according to the recent Nielsen Global Online Environmental and Sustainability Survey conducted in 51 countries in 2011, 9/10 Malaysians are aware that the air pollution, water pollution and global warming are among the most pressing environmental issues. Malaysia ranked 9th in terms of consumer worries on the impact of pollution and global warming. This then calls for the use of environmental-friendly housing development concepts, new innovative model, and the adoption of green technology, to conserve the environment through energy and resource efficiency, specifically in building design, the use of recyclable materials and the development of smart buildings. YB Minister applauded the REHDA Youth Wing for championing this agenda.

Malaysia made a voluntary commitment to reduce our Carbon Dioxide Emissions intensity to the GDP to 40% by the year 2020, as compared to 2005 levels; at the 15th United Nations Framework Convention on Climate Change.

The Ministry of Housing and Local Government is currently work hand in hand with various professional bodies, for eg the Pertubuhan Arkitek Malaysia (PAM), Association of Consulting Engineers Malaysia (ACEM) etc.

The Ministry recognises the importance of different opportunities and challenges that we are facing as we try to incorporate green technology and eco-buildings into our daily lives.

This 2-day summit is organised by The Asian Strategy & Leadership Institute (ASLI) and is supported by S P Setia Berhad Group, IJM Land Berhad, Malton Berhad, Sunway Group, PKNS, Sime Darby Property Berhad, ING Insurance Bhd and Ivory Property Group Berhad.

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