

PROPERTY SECTOR

GOVT MULLS NEW REGULATORY BODY

Bid to resolve differences over definition of 'affordable housing', says minister

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THE government is looking at ways to manage affordable housing issues, including creating a single entity to regulate the property industry.

"There is no single body that regulates the property sector in Malaysia and that is why we have the different definitions of what is 'affordable'," said Second Finance Minister Datuk Seri Johari Abdul Ghani at Invest Malaysia 2017, here, yesterday.

"People say RM300,000 is considered affordable when Bank Negara Malaysia noted that affordable houses are those priced RM200,000 and below. But you hardly can find any property within the RM200,000 range."

He also said private property developers were pricing their "affordable" units at RM500,000.

Earlier, Johari was at a panel discussion on "Plenary 2: Spotlight on Malaysia's Fundamentals", which was moderated by CIMB Group Holdings Bhd chairman Datuk Seri Nazir Razak.

Johari said Malaysia could no longer do business in the "old ways" as it would risk losing opportunities in the open market.

"Though Malaysia has consistently thrived despite global uncertainties over the past two decades, as an open economy, we can no longer embark on the 'old ways' to usher us along the briskly-evolving economic landscape. This is especially true when the rise of protectionism is increasingly threatening the gains from globalisation.

"Towards accommodating greater inclusiveness and sustainability, the government recognises that strategic initia-

tives must be undertaken to prepare the Malaysian economy for the new phase of growth. These include embarking on infrastructure projects to enhance the productive capacity of the economy."

Rapid digitisation, such as online platform for equity crowdfunding, peer-to-peer financing and the capitalisation of big data had created building blocks for the "new economy", he added.

In addressing foreign ownership, Johari said the government did not strike deals randomly, but chose the best deals for the empowerment of the country's economy.

"I must stress that when foreign investors invest here, they do not invest in things that we already have. They invest in

things we do not have but need, of which we are not able to afford. They invest in connectivity and over the long term, this connectivity will benefit us in many ways.

"China is Malaysia's biggest trade partner, with total trade of about RM241 billion, or 16 per cent, of Malaysia's total trade last year," he said.



Second Finance Minister Datuk Seri Johari Abdul Ghani (right) with CIMB Group Holdings Bhd chairman Datuk Seri Nazir Razak (left) and Moody's sovereign risk group vice-president and senior credit officer Christian de Guzman at the panel discussion in Kuala Lumpur yesterday. PIC BY MOHAMAD SHAHRIL BADRI SAALI