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# Gamuda proposes levy

## Developers to pay 2% of revenue to government for B40 housing fund

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**PETALING JAYA:** Gamuda Bhd has proposed a levy where developers would have to pay 2% of their total revenue based on sales to the government instead of having quotas imposed on them to provide a fund benefitting the below-40 (B40) population.

Gamuda Bhd group managing director Datuk Lin Yun Ling said, "In our view, house prices are not likely to come down."

"This is why we are seeing the huge unsold stock in the property market. The holding cost to comply with bumiputra requirements are getting heavier," he said after the company's AGM.

Deputy group managing director Mohammed Rashdan Mohd Yusof

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Datuk Lin Yun Ling

said, "We're suggesting 2% of our of total revenue.

"When the aggregated value of the 2% for developers across the field is given to the government, the amount could be used to fund affordable housing for the B40 population in better suited locations."

Rashdan said location is key for

the development of affordable houses.

"It would be a waste to build housing areas on land where it would be difficult for the everyday person to commute."

"The 2% levy fund could then be used by the government to decide on better land to house the B40, as that is every developers' goal."

This suggestion has been brought to the attention of the relevant authorities and, "though, it is too early to say, the response seems positive," Rashdan added.

Gamuda is also looking towards overseas projects to sustain its growth due to the easing local construction sector.

"We are looking at infrastructure projects overseas. For example, the state governments of Victoria and New South Wales in Australia are

going to invest over A\$100bil in railway and metro projects, mainly in Sydney and Melbourne, over the next 10 years," Lin said.

He opines that it will provide good opportunities for a local construction player like Gamuda because it has a track record as turnkey contractor in the Mass Rail Transit Sungai Buloh-Serdang-Putrajaya Line project.

The decision to look internationally was due to the 70% net profit contribution from Gamuda's overseas projects in the financial year 2018 (FY18).

"At the group level, we have achieved our targeted sales of RM3.6bil for FY19 that ended in July this year.

"Local projects contributed 30%. The margin difference is obvious," Lin said.