

MAHATHIR-PROJECTS

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KUALA LUMPUR, JUNE 11 (BERNAMA) -- THE GOVERNMENT IS STILL CAPABLE OF CARRYING OUT PROJECTS TO WHICH IT IS COMMITTED DESPITE THE CUTBACK IN GOVERNMENT EXPENDITURE DUE TO THE CURRENT RECESSION, DATUK SERI DR. MAHATHIR MOHAMAD SAID TODAY.

+WHERE THERE IS ALREADY AN UNDERTAKING, WE WILL CONTINUE WITH THESE PROJECTS: WE ARE STILL CAPABLE OF CONTINUING WITH THESE PROJECTS+, THE PRIME MINISTER TOLD A PRESS CONFERENCE AT HIS OFFICE TODAY.

HE SAID THAT WHILE THE DEPUTY PRIME MINISTER DATUK MUSA HITAM, WAS OVERSEEING THE WHOLE DEVELOPMENT PLAN TO SEE WHAT COULD BE CUT AND BY HOW MUCH, HE WOULD PERSONALLY OVERSEE THE EXERCISE AT A LATER STAGE.

THIS WAS TO ENSURE THAT THERE WOULD BE NO UNNECESSARY CUTS TO THE EXTENT THAT THE GOVERNMENT WOULD RENEGE ON COMMITTED PROJECTS.  
--BERNAMA MORE 2005/AN

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REPLYING TO A QUESTION, THE PRIME MINISTER SAID IT WAS BETTER FOR THE GOVERNMENT NOT TO ADOPT AN EXPANSIONARY BUDGET IN THE FACE OF THE CURRENT WORLD RECESSION ALTHOUGH IT DID SO IN THE PAST TO SUSTAIN GROWTH WHEN THERE WERE GLOBAL ECONOMIC PROBLEMS.

THIS WAS BECAUSE THE RECESSION THIS TIME WAS FAR MORE SEVERE THAN PREVIOUSLY AND THE GOVERNMENT DID NOT FORESEE IMMEDIATE RECOVERY.

THE GOVERNMENT HAD ACCEPTED THE FACT THAT DEMANDS FOR MALAYSIA'S COMMODITIES WOULD NOT PICK UP SUFFICIENTLY EARLY FOR THE GOVERNMENT TO RECOUP WHATEVER HAD BEEN SPENT.

+WHEN WE THINK THAT OUR REVENUE IS NOT GOING TO COME QUICKLY ENOUGH IT IS FAR BETTER NOT TO ADOPT AN EXPANSIONARY BUDGET BECAUSE THERE MAY BE NOTHING WE CAN USE LATER ON TO COVER WHAT WE HAVE EXPENDED, HE ADDED.

MALAYSIA WOULD NOT BORROW UNLESS IT KNEW IT COULD REPAY AND IT WOULD LIKE TO MAINTAIN ITS CREDIT WORTHINESS.

THEREFORE THE NEXT BEST THING FOR IT TO DO WAS TO CUT EXPENSES AND INCREASE PRODUCTIVITY, HE SAID.

---BERNAMA MORE 2005/AN

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ON A SUGGESTION THAT PREFERENCE BE GIVEN TO LOCAL CONTRACTORS RATHER THAN FOREIGN TO CARRY OUT CERTAIN PROJECTS SO AS TO CHECK THE DRAIN OF FOREIGN EXCHANGE AND THE COUNTRY'S DETERIORATING BALANCE OF PAYMENTS, THE PRIME MINISTER SAID IT MUST BE BORNE IN MIND THAT THERE WERE ALWAYS THE FOREIGN AND LOCAL ELEMENTS IN EVERY CONTRACT.

FOREIGN CONTRACTORS STILL HAD TO SUB-CONTRACT JOBS TO LOCAL

CONTRACT

ORS AND HAD TO USE LOCAL MATERIALS, THUS ENABLING MUCH OF THE MONEY TO STAY WITHIN THE COUNTRY, HE SAID.

ON THE OTHER HAND, LOCAL CONTRACTORS EVEN IF THEY WERE AWARDED THE CONTRACTS WOULD STILL HAVE THE LOCAL ELEMENT AS WELL AS THE FOREIGN ONE AND STILL WOULD HAVE TO IMPORT MACHINERY AND MATERIALS.

THE PRIME MINISTER SAID THE DIFFERENCE WAS MARGINAL AND THE FACT REMAINED THAT SOME OF THE BIG CONTRACTS COULD NOT BE CARRIED OUT BY LOCAL CONTRACTORS. --BERNAMA MORE 2035/0M

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HE ALSO POINTED OUT THAT IT WAS NOT NECESSARY FOR THE LOWEST TENDER TO BE AWARDED A CONTRACT, AS IN THE CASE OF THE PENANG BRIDGE PROJECT AND THE DAYABUMI PROJECT +THIS IS BECAUSE WE HAVE TO MAKE SURE THAT THE JOB IS DONE.+

SO IT WAS NOT A QUESTION OF WASTAGE OF FUNDS SHOULD THE LOWEST TENDER BE REJECTED, HE ADDED.

DATUK SERI DR. MAHATHIR SAID THAT ONLY PROJECTS THAT WERE NOT ABSOLUTELY NECESSARY WOULD BE POSTPONED IN THE CURRENT TRIMMING OF GOVERNMENT EXPENDITURE.

ASKED ABOUT TEMBELING, HE SAID THAT IT WAS STILL BEING PLANNED AND FOR SUCHA HYDRO-ELECTRIC PROJECT IT WOULD BE PROBABLY FIVE YEARS BEFORE A CONTRACT WAS AWARDED AND MAYBE 10 YEARS BEFORE POWER FLOWED.

+BETWEEN NOW AND FIVE YEARS, THE WORLD MAY VERY WELL HAVE RECOVERED AND WE MAY HAVE PLENTY OF MONEY. IT'S NOT THE END OF THE WORLD, YOU KNOW+ HE ADDED. --BERNAMA 2147/0M