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Budget-Mahathir

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KUALA LUMPUR, Dec 14¹⁰ (Bernama) --- The 1991 Budget is the best yet for the people, said Prime Minister Datuk Seri Dr Mahathir Mohamad who attributed it to national economic growth and stability.

Some people might think Malaysia was just lucky but compared to its neighbours, the country's economic performance was spectacular, he said.

+In fact, even countries with substantial oil resources are facing problems,+ he told reporters who approached him at Parliament House for comments on the 1991 Budget which Finance Minister Datuk Paduka Daim Zainuddin tabled at the Dewan Rakyat today.

Despite having limited oil reserves, Malaysia was able to diversify its sources of economic growth, he said.

For the time being the Gulf crisis had not adversely affected Malaysia's economy because the government was not rushing to raise its oil price drastically.

On the contrary, it has only raised the price marginally and at the same time checked inflation, he said. -- more

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The Prime Minister said despite rising oil price, Malaysia managed to keep retail petrol prices down and because of this, inflation was checked.

+If we follow others to raise oil price which at one time shot up to US\$40 a barrel or do like some countries which raise retail oil price by 100 per cent, then this will create inflationary pressure+, he said.

By not raising retail oil price too high, prices of goods in the country were kept down and this later would not cause problems in arresting soaring prices when oil price dropped, he said.

Datuk Seri Dr Mahathir, however said fears of economic slowdown caused by the Gulf crisis among industrialised countries would reduce their power to purchase Malaysian goods.

This would directly impede growth of the Malaysian economy, he said.--
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The Prime Minister said the 1991 Budget could also be regarded as a tribute to the workers, but overall, it took cognizance of all sectors.

To those with the notion it was a pre-election budget, he said the the government did not rely on the Budget to win the general election.

It also did not withdraw the already prepared budget after the Barisan Nasional was returned to power, he said.

+The government sincerely wants to build a caring society by helping as many citizens as possible through economic growth,+ he said.

He hoped the people, especially workers, would reciprocate by giving greater cooperation as they stood to gain a lot from a flourishing economy.

The Prime Minister said stability had greatly contributed to Malaysia's progress as it was impossible for it to attain such rapid development without stability.-- more

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The Prime Minister said tax exemptions featured well in next year's budget because the government could afford giving them without affecting funds for infrastructural development.

Increased output and income has enabled the government to finance national development without having to raise taxes, he said.

The Prime Minister said the people should be mindful of the need to continue with infrastructural development in line with the increased inflow of investments.

+With investment amounting to \$32 billion this year, we must ensure that earnings are reinvested to provide ample water and power supplies, and build adequate roads and ports,+ he said.

On whether the 1991 Budget was to fulfil pledges made by the Barisan Nasional in its election manifesto, Datuk Seri Dr Mahathir who is BN chairman said, the government did not only honour its pledges during elections but has delivered the goods constantly.-- Bernama