

CNS7647

U GE 01-11 00143 EF041

aae tbe

PM DESCRIBES NEXT YEAR'S BUDGET AS A GOOD ONE

Budget-reaction

bm

KUALA LUMPUR, Nov 1, (Bernama) -- The government's decision to maintain a high rate of economic growth will not lead to inflation, Prime Minister Datuk Seri Dr Mahathir Mohamad said today.

He said various measures had been taken to control inflation but the cooperation from the people was also necessary.

The people should understand the fact that inflation was caused by excessive demand, he told reporters when asked to comment on next year's Budget tabled at the Dewan Rakyat today.

+If they do not want inflation, they should spend according to their means,+ he said.

The Prime Minister described the Budget as a +good Budget+, saying that it was discussed in detail by the Cabinet. -- more

♥01/11/20-45MST

U GE 01-11 00137 EF042

aae tbe

Budget-reaction 2 Kuala Lumpur

Datuk Seri Dr Mahathir also said that the government had to collect revenue from pioneer status companies because each time investment was made the government had to spend money to provide infrastructure facilities.

+What we are doing is not to impose a high tax but to collect just sufficient money for the development of facilities needed by investors,+ he said.

Such a policy would not affect foreign investment, he added.

Referring to the levy imposed on foreign workers, he said the levy would be paid by the employers. It was aimed at encouraging employers to engage local workers.

He said the government allowed the recruitment of foreign workers to overcome the shortage of labour in certain sectors. -- more

♥01/11/20-49MST

U GE 01-11 00111 EF043

aae tbe

Budget-reaction 3 Kuala Lumpur

Datuk Seri Dr Mahathir said the government was now giving priority to capital-intensive and high-technology industries using trained workers.

Asked why the unemployment rate given by the World Bank was different than that provided by the government, he said the figure by the bank included people working on part-time basis while the government classified such people as unemployed.

The government estimates that the unemployment rate will decrease to 5.6 per cent at the end of this year while the World Bank said that the unemployment rate in the country is 3.4 per cent.

Deputy Prime Minister Encik Ghafar Baba said the budget would be able to control inflation and retain the confidence of the people in the nation's economy.

He said it would enable development projects to be continued in efforts to achieve the vision to make Malaysia a developed nation in 30 years.

The budget would reduce the burden of the low-income group and give more opportunities for home ownership, he added.

He said only the high-income group had to pay more in the form of taxes, including sales tax.

Encik Ghafar also felt that the levy on foreign workers would not affect the inflow of foreign workers. -- more

♥01/11/20-52MST

CNS7689

U GE 01-11 00152 EF049

aae tbe

Budget-reaction 4 Kuala Lumpur

Gerakan President Datuk Seri Dr Lim Keng Yaik said the Budget was directed towards Vision 2020 as it placed emphasis on high-technology industries.

Datuk Seri Dr Lim, who is Primary Industries Minister, said the Budget was fair to all sectors.

MCA President Datuk Seri Dr Ling Liong Sik, who is Transport Minister, praised Finance Minister Datuk Seri Anwar Ibrahim for being sensitive to the needs of the people, especially the low-income group.

MIC President Datuk Seri S.Samy Vellu also thanked the Finance Minister for presenting a +good Budget.+

Minister of International Trade and Industry Datuk Seri Rafidah Aziz said the Budget showed that the government was more selective in attracting foreign investment.

She said her ministry was finalising the criteria for awarding the 100 per cent pioneer status to industries. -- more

♥01/11/21-17MST

CNS7691

U GE 01-11 00220 EF050

aae tbe

Budget-reaction 5 (last) Kuala Lumpur

Defence Minister Datuk Seri Najib Tun Razak said he was optimistic that the country would continue to progress well.

He was satisfied with the \$2.81-billion allocation given to his ministry next year.

Youth and Sports Minister Senator Annuar Musa also described next year's Budget as a good Budget that could lead the nation towards further progress in all fields.

Parti Semangat 46 President Tengku Razaleigh Hamzah feared that the five per cent service tax which was extended to professional services would affect the ordinary people.

He said this would affect people wishing to buy houses as they had to use the services of lawyers.

PBS MP Encik Maidom Pansai hoped that the allocation for Sabah was given direct to the state government and not to any other party.

DAP MP Dr Tan Seng Giaw said the Budget showed that the government had still not been able to find an effective measure to control inflation.

Former Finance Minister Tun Daim Zainuddin said the Budget was sensitive to the present condition and needs.

He said Datuk Seri Anwar had been able to identify the economic problems faced by the country and had taken appropriate measures to overcome them. --Bernama

♥01/11/21-24MST