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Mahathir-Budget

THIS IS ANWAR'S BEST BUDGET YET, SAYS MAHATHIR

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KUALA LUMPUR, Oct. 29 (Bernama) -- Datuk Seri Dr Mahathir Mohamad said today the 1994 Budget tabled by Finance Minister Datuk Seri Anwar Ibrahim was the best enjoyed by the country because it balanced income with expenditure.

The Prime Minister said although past budgets were also balanced, they did not take into account development expenditure like the proposed budget which gave high allocation to development totalling in excess of RM13,000 million.

"This is an outstanding achievement," he told reporters at Parliament House when approached for comments on the budget tabled by Anwar in the Dewan Rakyat.

Dr Mahathir said although the government stood to lose nearly RM1,900 million in revenue because of various tax cuts, exemption and investment incentives, the increase in economic growth and trade to be benefitted by the private sector was expected to be offset by an increase in tax revenue collection.

The government was confident that the lower taxes would spur greater collection of revenue. -- more

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Mahathir-Budget 2 Kuala Lumpur

Nevertheless, the government would continue to be prudent in managing the country's finances because ill-managed spending could result in a deterioration in the current good economic performance, he said.

Expressing satisfaction with the budget, he said the government's ability to remove 60,000 low-income earners from the ranks of taxpayers was a laudable performance.

"As usual, everyone will welcome the budget in the next one or two days. On the third day, those who like to look for weaknesses in the budget will certainly start criticising the government," he added.

Dr Mahathir was also asked for his comments on the bonus of half-month's salary to be paid, for the first time, to the 840,000 civil servants.

He said the government was able to give the payment because there was some excess in revenue that it was felt should be distributed to government servants in recognition of their contribution to the administration of the country. -- more

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The government was able to pay bonus also because it had been able to reduce the total public sector workforce by nearly 100,000 through the privatisation of several departments and agencies.

"In addition, we wanted to fulfill our promise to CUEPACS when we privatised several government departments that those who were not involved in the programme would also be paid bonus if the government could afford it," he added.

He said it would be unfair if public servants not included in the privatisation programme were not given the opportunity to enjoy bonus like their counterparts who received various benefits like share options, higher salaries and yearly bonus in the privatised departments and agencies.

Asked why the government was generous to pay bonus of a minimum of RM400 when CUEPACS only asked for a minimum of RM300, he said: "Firstly, because we are able. If we are unable, we would not give. Another reason is the government wishes to fulfill its promise to CUEPACS."

Dr Mahathir asked about the large allocation for infrastructure development.

He said rapid economic growth usually resulted in the existing infrastructure being unable to cope with demand.

As such, the government must increase spending on infrastructure and the best way to do it was to privatise infrastructure projects. -- Bernama

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