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'97 BUDGET TO SEE REDUCTION OF UNNECESSARY IMPORTS

KUALA LUMPUR, Oct 14 (Bernama) -- The 1997 Budget's main focus will be the reduction of unnecessary imports to reduce the balance of payment deficit, Prime Minister Datuk Seri Dr Mahathir Mohamad said today.

He said the government would ensure that there would not be a tendency to import unnecessarily and would educate the people to spend money for their own good.

"People should be persuaded either through tax incentives or through other means, not to expand money on imported goods when there are local goods available," he said.

Dr Mahathir was speaking to reporters after the launching of "Malaysian Design Conference and Exhibition 96," Malaysia Good Design Mark and awards presentation to Malaysia Young Designers for the year 1996, held here today.

He stressed that the measure did not amount to boycotting foreign goods and that the government was obliged to see that the economy was well run.

"At the moment, people are saying that the deficit on the balance of payment (BOP) indicates overheating, and we can become Mexico, I don't know where they learn their economy, but I don't think that we are like Mexico at all," said the prime minister.

He reiterated that there was too much talk about overheating but not much talk on how to overcome what was essentially a deficit in the BOP which by definition meant there was an excess import over export.

"So, to overcome the deficit problem is to reduce import and increase exports, that's all, there is no overheating," said Dr Mahathir.

Asked what were the unnecessary imports that needed to be reduced, the prime minister said : "Well, we have to wait and see, because if I tell you now, the Minister of Finance (Datuk Seri Anwar Ibrahim) will have no speech to tell during the Budget day."

To another question on sales and service tax (SST), Dr Mahathir said: "I do not know, maybe we will be looking at it, maybe no."

Dr Mahathir also said that the Budget would give emphasis on the development of high technology in the country and the Labuan international offshore financial centre.

"We are looking at the multi-media super corridor, Labuan and several measures on how to stimulate investment in high-tech industry," he added.

-- BERNAMA

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