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States announce steps to cut costs

KUALA LUMPUR, Thurs. - Several States today announced measures to cut costs following Prime Minister Datuk Seri Dr Mahathir Mohamad's directive that State Governments should reduce extravagant programmes in an effort to strengthen the country's economy.

The Malacca Government has directed all departments and agencies to reduce reliance on imported material while Terengganu had stopped all overseas trips except trade missions.

Penang would consult the Federal authorities for the rescheduling of construction of the Penang Outer Ring Road and the Butterworth Outer Ring Road which had been privatised.

Yesterday, Deputy Prime Minister Datuk Seri Anwar Ibrahim said the directive was issued at a special meeting between Dr Mahathir and Menteri Besar and Chief Ministers.

The meeting was held to discuss joint actions by the Federal and State Governments to overcome economic problems faced by the country following the decline in the value of the ringgit.

In Malacca, Chief Minister Datuk Abu Zahar Isnin said he had directed all departments and agencies to reduce reliance on import materials.

He said the authorities must co-operate in a bid to reduce expenditure and improve the country's economy.

"All government departments and agencies must be thrifty in their expenditure and lessen their dependence on import materials.

"Instead of imported items, they must use more local products.

Abu Zahar said the public should also reduce purchases of imported items to help stabilise the value of the ringgit.

"They can certainly help the Government by not purchasing imported items," he said.

In Kuala Terengganu, Menteri Besar Tan Sri Wan Mokhtar Ahmad said the State Government had directed Executive Councillors, heads of department and local authorities to stop organising study trips overseas. The move is to reduce unnecessary spending.

Flexibility would be given to Executive Councillors involved in trade and investment missions "but they have to limit their entourage to one or two officers."

However, there is no limit on private sector participation.

He added that all government departments and agencies were required to cut costs, including reducing the use of electricity after office hours.

Wan Mokhtar said he would meet department and agency heads on Saturday to brief them on the measures to be taken to reduce unnecessary spending.

He said the State Government would also revive the "Green Book" programme, adding that this would be given priority in reducing the State's food import bill which stood at RM40 million.

The programme is to increase the production of vegetable, fruits and fish to the extent of achieving a surplus so that the products could be exported to other States.

"We have identified a 1,200ha site in Tasik Kenyir where we are going to promote a large-scale aquaculture project to produce fish fillet for export to America and Europe."

In Ipoh, Menteri Besar Tan Sri Ramli Ngah Talib said the State Government would abide by the directive.

"Although we do not have any programmes which can be classified as

extravagant, we will nevertheless ensure that we only undertake projects which are necessary for the rakyat."

He added that the directive had also been passed down to all departments to ensure that they did not spend unnecessarily.

In Penang, Chief Minister Tan Sri Dr Koh Tsu Koon said the Penang Outer Ring Road and the Butterworth Outer Ring Road could not be considered extravagant because they were part of the traffic dispersal scheme that had been planned since the 1980s.

"The two projects may not require imported equipment or materials."

He said all projects had to be assessed in terms of their requirement, import-content and their impact on the economy.

In Seremban, Menteri Besar Tan Sri Mohamad Isa Abdul Samad said he supported the move by the Prime Minister

He said the State would abide by all directives issued by the Prime Minister and play its role towards strengthening the economy. "If it is for the country's interest, we are prepared to do our best in assisting."

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