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A 'Malaysia Boleh' budget

UNVEILING a cautiously optimistic budget yesterday, Prime Minister Datuk Seri Dr Mahathir Mohamad has pulled no punches as to what will be required of the rakyat in the year ahead. While the budget proposals are relatively painless, the effort to operationalise the strategies will need the kind of commitment that is not for the faint-hearted.

For the economy to recover and grow at a projected rate of one per cent next year, Malaysians will have to adhere to discipline, determination and perseverance. But as has been proven time and again, the nation is certainly not short of such qualities. Malaysians have always been able to pull together in a spirit of unity, both in the best and worst of times.

Dr Mahathir, who tabled the 1999 budget proposals in his capacity as First Finance Minister, is quietly confident that measures towards economic recovery will show results. This is based on the outcome of fiscal moves recently put in place. How quickly the economy does turn around will, of course, depend on the economic health of our trading partners and greater stability in the global financial market.

For the coming year, a pragmatic mix of business incentives and investment in human and infrastructural development has been woven into strategies that aim to reflate the domestic economy and strengthen its competitiveness. Much of the preparatory work was jump-started in the past month, which accounts for the absence of shocks in the budget speech. Indeed, it contains an unexpected surprise in the form of the proposed "Saturday holiday" once a month for the public sector, as well as waiver of income tax for the year of assessment 2000.

As always, the budget has catered for groups with special needs. Women will be encouraged to take advantage of skills training opportunities, to contribute to economic growth. Youth development will be achieved through revamped leadership and character-building programmes, while the allocation for poverty eradication will benefit the hardcore poor despite the nation's own straitened circumstances.

By building on positive elements such as a surplus current account in the balance of payments and early signs of revival in economic activities, the budget strategies are a beacon of calm in a sea of economic and financial uncertainty. Both the public and private sectors would be wise to heed the directions set, by now reviewing and tailoring their own responses to rise to the challenges.

Its actions against currency speculation notwithstanding, Malaysia has reiterated in no uncertain terms its commitment to the concept of a free market, free flow of capital and an orderly process of liberalisation. Although external advice is hardly necessary, the nation is actively restructuring and monitoring the financial sector for compliance with rules, and nudging the management of banks towards greater transparency, efficiency and integrity.

With this clear undertaking, detractors should have no reason to hold on to their unjustified suspicion over the radical moves Malaysia has been forced to apply to insulate its economy against financial volatility.

Given the vacillation of multilateral lending institutions and amply demonstrated Western indifference over the past year, the country has no other choice. As Dr Mahathir firmly reminds Malaysians, "our destiny is in our own hands".

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