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Budget-Reaction (Federal)

1999 BUDGET TAILOR-MADE TO TACKLE ECONOMIC WOES

KUALA LUMPUR, Oct 23 (Bernama) -- The 1999 Budget tabled by Prime Minister Datuk Seri Dr Mahathir Mohamad at the Dewan Rakyat today is tailor-made to tackle Malaysia's economic and financial woes.

Cabinet ministers and parliamentarians alike said in unison that the recommended measures would bolster economic growth through government spendings on infrastructure projects, recapitalising the banking system and training of human resources.

Education Minister Datuk Seri Najib Tun Razak said the RM13.5 billion allocated for education would pave the way for more students to enjoy better educational facilities.

Among them are building more primary and secondary schools, he said when commenting on the Budget.

RM8 billion had been allocated under the budget for primary and secondary education which entailed the opening of 183 new primary and secondary schools.

Another 1,217 schools are in various stages of construction and some have yet to be built.

Dr Mahathir, who is also the First Finance Minister, tabled the budget totalling RM65.095 billion, down 9.3 per cent from last year, with revenue expected to fall by 14.3 per cent to RM47.160 billion.

Najib also said more poor students would benefit from the government's free book aid scheme.

International Trade and Industry Minister Datuk Seri Rafidah Aziz said the incentives recommended for small-and medium-scale industries was aimed at boosting exports.

"We have identified export-oriented local trading companies and have abolished excise duties for certain items," she said.

The tax abolition could also expand the domestic market, she said.

The budget, among others, proposed that companies granted the status of International Trading Company be given tax exemption on 70 per cent of their statutory income derived from the increased value of export sales.

Culture, Arts and Tourism Minister Datuk Sabbaruddin Chik said the announcement that one Saturday in a month would be declared a holiday for government employees was a boon for domestic tourism.

The incentive will come into force from January.

Works Minister Seri S. Samy Vellu said the budget would bring about significant changes to the country's financial system.

It is also an action plan to improve the people's well-being, he said.

Primary Industries Minister and Gerakan President Datuk Seri Dr Lim Keng Yaik said the levy to be imposed on the profits of crude palm oil producers would be a sacrifice it could afford following a doubling in profits in the industry.

The 1999 Budget proposes that a levy be imposed on crude palm oil when the price exceeds the threshold of RM2,000 per tonne.

He said the sacrifices by the palm oil producers in helping the country's economic recovery would be very much appreciated.

On the increase in import duty of cigarettes and tobacco products from today, he said cigarette companies and tobacco producers had been profitable in the past and the import duty on cigarette and tobacco products had not been increased since 1993.

Deputy Home Minister Datuk Tajol Rosli Ghazali said the additional

allocation to the Prisons Department would be used to improve existing facilities.

The 1999 Budget allocated RM8.73 billion to various departments of the ministry such as the police, prisons and immigration.

President of the Government Backbenchers Club Ruhanie Ahmad said the 1999 Budget would benefit the low income group and those in the rural areas.

Some RM1.124 billion has been allocated for the village development programme including RM138 million for Sabah and RM151 million for Sarawak.

Opposition MP Dr Tan Seng Giaw (DAP-Kepong) said the 1999 Budget generally ensured that the foreign exchange controls imposed by Malaysia could be implemented well.

He said Malaysians must now make the effort to ensure the success of the measures taken to enable the country's economy to recover.

The one Saturday a month as a holiday for public sector employees from January next year aimed at improving the domestic tourism industry has been welcomed by the industry.

Glenmarie Hotels and Resorts Malaysia sales director Zakariya Musa told Bernama that the industry needed such government support since it was facing lean times of late.

He said such a move should have been implemented earlier.

Federation of Malaysian Manufacturers (FMM) northern branch chairman Datuk O.K. Lee said those in the private sector not connected with manufacturing production should also adopt the one Saturday a month as a holiday move.

He said such a move could help cut costs.

National Union of the Teaching Profession (NUTP) secretary-general N. Siva Subramaniam also welcomed the one Saturday a month as a holiday move.

He hoped there would be coordination in its implementation so that teachers would not have to attend to extra classes or be involved in other activities on Saturday.

-- BERNAMA

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