

24/10/1998

Dr M: It will aid business, stimulate economic growth

PRIME Minister Datuk Seri Dr Mahathir Mohamad has described the 1999 Budget as one which will facilitate business and stimulate economic growth.

Speaking to reporters after tabling the Budget in the Dewan Rakyat, Dr Mahathir who is also First Finance Minister, said:

"We are supporting business in every way. We want them to make profits."

Dr Mahathir, who was asked whether the Budget was expansionary in nature, said businesses would not be able to make profits if they were burdened with taxes and non-performing loans.

He said the Government would not gain anything if businesses incurred losses.

And it was because businesses had incurred losses in the first six months of this year that the Government was now facing a deficit, Dr Mahathir added.

He said the Government was also looking into ways of ensuring that ports did not act as "feeders" for other countries.

The Prime Minister also said the move to declare one Saturday a month as a day off for civil servants would be implemented in January.

To replace the lost working hours, Government employees will probably be required to work an additional 30 minutes on certain days.

Asked whether the reason for the move was to boost shopping activities, Dr Mahathir said:

"They can rest and relax. Maybe this will not only encourage shopping but also domestic tourism."

On bonus for government employees, Dr Mahathir said the Government appreciated the employees' contribution but it would be difficult to pay bonus in view of the deficit Budget.

He said the deficit would have to be financed by borrowing, and paying bonus from borrowed money would be "dangerous".

"We appreciate the services of government employees, but we don't have the money," the Prime Minister said.

Explaining that the tax assessment system based on the income derived in the preceding year would be changed to the current year beginning from the year 2000, Dr Mahathir said the move did not involve collection, but was the basis for tax.

"It sounds as if we will lose one year's tax, but it is not true. It is just the basis for the tax. (Now) this year's assessment is based on last year's income. (The change) is to make it according to this year's income."

When questioned on the reason for this, Dr Mahathir said sometimes businesses suffered losses in the current year and thus were unable to pay taxes for the previous year when they made profits.

On allocation for security, he said the amount was at the normal level allotted for the purpose.

"We are not arming ourselves in any way."

(END)