

21/10/1998

RM2.7bn more for infrastructure under 1998 Budget

THE Government has proposed an additional allocation of RM2.678 billion from the Development Fund, under this year's Budget, to finance various strategic infrastructural projects in the country.

Second Finance Minister Datuk Mustapa Mohamed said out of this amount, RM2.311 billion will be in the form of direct expenditure, while the remaining RM367,318,280 will be loans expenditure.

Tabling a motion on estimates of the second additional development expenditure 1998, he said that the allocation for the Treasury under the exercise is RM789.6 million, of which RM626 million will be for payments related to the Bakun Hydroelectric Dam project.

Mustapa said in addition to this, RM90 million of the Treasury's allocation will be used to finance the Government's equity in the Multimedia Development Corporation, while RM57 million is meant for Malaysia's Export-Import Bank, which had been granted RM300 million under the Seventh Malaysia Plan.

The motion was tabled without notice under the Development Fund Act 1966, without having to submit any Supplementary Bill.

Meanwhile under the overall additional allocation exercise, RM587.7 million will be channelled to the Prime Minister's Department.

The Education Ministry will receive RM334.3 million, while the Transport Ministry an additional RM163.6 million, largely to finance existing and future transportation projects. These include the light-rail-transit network and the Kuala Lumpur International Airport.

The Entrepreneur Development Ministry will be getting RM150 million under the exercise, while a token allocation of RM40 is to be granted to the Rural Development Ministry.

* PRIME Minister Datuk Seri Dr Mahathir Mohamad is expected to furnish the Dewan Rakyat this Friday with the latest figures on the repatriation of overseas ringgit into the country following the implementation of the capital control measures since last September 1.

Second Finance Minister Datuk Mustapa Mohamed said Dr Mahathir will do this when tabling the 1999 Budget.

Replying to a supplementary question by Dr Tan Seng Giaw (DAP-Kepong), he said the Government has estimated that there were some RM32 billion parked overseas.

* MEASURES introduced by the National Economic Action Council (NEAC) have helped to improve the performance of the country's capital market, financial system and investment's climate.

Deputy Minister in the Prime Minister's Department Datuk Dr Ibrahim Saad said the Composite Index of the Kuala Lumpur Stock Exchange rose from 262.70 points on September 1, when the new measures took effect, to 294.95 points the next day.

"By September 7, it had risen to 445 points," he said in reply to a question by Chang See Ten (BN-Gelang Patah).

Ibrahim said the lower cost of borrowings following the reduction of interest rates has helped to reduce the amount of non-performing loans.

He added that there has also been an increase in foreign investment, especially in the manufacturing sector, when NEAC's measures are implemented.

"A total of RM235 million was invested in August and RM580 million in September since the measures took effect," Ibrahim said.

* THE Government is seeking the assistance of the Malaysian Trades Union Congress (MTUC) to monitor the presence of illegal foreign workers in Malaysia.

Deputy Home Minister Datuk Mohd Tajol Rosli Ghazali said the ministry needs the MTUC support because it has limited manpower to oversee the situation.

"MTUC should inform the ministry if it discovers employers hiring illegal immigrants as workers," he told reporters at the Parliament's lobby yesterday.

Tajol said the ministry has estimated that at present, there are some 300,000 illegal immigrants working in the country's various economic sectors.

He noted that at present, the Government will not grant permission to hire foreign labour if the sector can use local workers.

It was reported last Monday that 120,000 new foreign workers would be placed in the plantation, manufacturing and construction sectors. The workers, mainly from Thailand and Indonesia, will be sent to critical areas in the Peninsular Malaysia and Sarawak.

The peninsula will receive about 100,000 workers while the rest will be sent to Sarawak. Sabah had earlier received 50,000 foreign workers. The country currently has 1.2 million registered foreign workers.

On the two-month Voluntary Repatriation Programme which began on August 31, Tajol Rosli said about 48,000 immigrants had been sent home, adding that the rest should buy their tickets home now as the deadline is fast approaching.

"We can inform the Immigration Department to extend their visa if their departure date falls outside the deadline of October 31," he said.

* LOCAL companies and institutions, identified to participate in the Government's bond issue worth RM60 billion, have expressed willingness to be part of the activity.

"At present, they are in the process of signing the relevant documents for the bond issue," Deputy Finance Minister Datuk Wong See Wah told reporters at the Parliament's lobby yesterday.

Special Functions Minister Tun Daim Zainuddin had recently announced that the Government was in need of funds worth RM60 billion to finance the various measures to revive the country's economy.

Out of this amount, RM5 billion is for infrastructure projects, RM7 billion for social, RM25 billion for Pengurusan Danaharta Nasional Berhad and RM15 billion for Danamodal.

The capital for this purpose will be derived from the Government bonds issue to be subscribed by the Employees Provident Fund, Social Security Organisation, Petroliaam Nasional Bhd and insurance companies.

(END)