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Goal is to facilitate business

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THE 1999 Budget aims to facilitate business, as part of the efforts to stimulate economic growth, Prime Minister Datuk Seri Dr Mahathir Mohamad said.

"This budget is basically to facilitate business. We are supporting business in every way because we want them to make profits. And we want them not to be burdened by taxes, non-performing loans and others," he said to reporters after presenting the Budget.

Dr Mahathir, who is also First Finance Minister, was asked whether the 1999 Budget is considered to be expansionary.

"We want the businesses to make profits. As you know, when businesses make profits, 28 per cent belongs to the Government. If they lose money, indeed as they have in the first six months this year, then we have no income. That is the reason for our deficit," he said.

Stressing that the country is having a deficit budget for next year, Dr Mahathir said the Government has to borrow money to finance the deficit, which means that it is very difficult for the Government to pay bonus to civil servants.

"It is not that we don't want to give. We appreciate the services of the civil servants but we don't have money (to give bonus)," he added.

Dr Mahathir was also asked to clarify the change in basis for corporate and personal tax assessment from the preceeding year to the current year beginning 2000, which will result in the waiver of tax on income derived in 1999.

"Actually, we are changing the basis of tax, not the actual tax. Detailed explanations will be given by the relevant authorities," he said.

Asked why the change was made, Dr Mahathir said: "It is easier if (the basis of assessment) is the current year. Let's say last year you made a lot of money and spend it. This year you lose money but have to pay tax. You will find it difficult to pay."

On the proposed for a Saturday rest day every month for civil servants, Dr Mahathir said this will be implemented from January next year.

"The working hours for the month will be the same, only they have to work maybe half an hour longer on certain days to make up the number of working hours lost in the month," he said, adding that the extra one day off will also help promote domestic tourism.

Asked to comment on a move in the US urging President Bill Clinton not to have a bilateral meeting with him during the coming Asia Pacific Economic Cooperation summit, Dr Mahathir said this issue does not arise because Kuala Lumpur did not request such a meeting.

Several US policymakers had recently urged President Clinton to ask for a change in venue for the Apec meeting, failing which they wanted him to bring up human rights issues at the meeting scheduled for November 16-18.

"We want to hold it (Apec) here. Everything is on schedule. This is a multilateral conference on economy. Apec is all about economic cooperation. There is nothing to do about politics. If you want to change it into a political forum, then there is no longer Apec. If you want to make a protest you can do it some other time," Dr Mahathir said.

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