

16 DEC 1998

MUSTAPA-ECONOMY/BM

GOVT TO REVIEW GDP GROWTH RATE FOR 1998

KOTA KINABALU, Dec 16 (Bernama) -- The government plans to review the Gross Domestic Product (GDP) growth rate for this year to get a more accurate picture of the country's economic status, said Second Finance Minister Datuk Mustapa Mohamad.

He said the review was necessary as the GDP had contracted by 8.6 percent for the third quarter of this year compared with the projected 4.8 percent contraction for the whole of this year.

"We have yet to get the precise figure because 1998 is still not over. The available estimate is up to September this year only," he told reporters after a gathering with the people of Bongawan, 70km from here, today.

According to him the real growth rate can be expected to be obtained only towards end of February or early March next year when all statistics for the months of October, November and December are in.

Mustapa who is also the Minister of Entrepreneur Development said this when he was asked to comment on the statement by Prime Minister Datuk Seri Dr Mahathir Mohamad in Hanoi, Vietnam, yesterday, that the country's economic growth is expected to contract by six percent for the whole of this year.

Mustapa also announced an increased budget of RM24 million this year for the implementation of various development projects in Sabah this year.

"There are only three more weeks left for this year and as much as possible we would like to spend it all by this year. However, if we do not get to that, then it can be done by early next year," he said.

He also urged the various parties responsible for the implementation of the country's development projects to speed up the projects which had been planned nationwide.

"We are somewhat worried as it has been found that only 50 percent out of some RM21 billion allocated for development (projects) nationwide was spent between January to October this year," he said.

Based on the expenses to-date, he estimated that at least 18 percent of the total amount could not be spent this year.

"Expenses are somewhat slow this year due to some policy changes. Initially we cut down expenses, later in July we increased expenses and this has resulted in a slight delay in the implementation of the development projects.

"My job as the Second Finance Minister is to ensure that the allocation was utilised for the development which has already been planned," Mustapa stressed.

-- BERNAMA

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