

02/11/1998

1999 Budget will speed up economic recovery

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FOR all intents and purposes, the 1999 Budget unveiled in Parliament by Prime Minister Datuk Seri Dr Mahathir Mohamad is business driven and geared towards boosting growth and hastening the nation's economic recovery.

In the light of our current economic crisis, the Budget is pragmatic and innovatively designed to assist the business sectors.

While the Budget cannot please everyone, what is significant is its main thrust to stimulate the economy, with priority given to infrastructure development to pull the country out of recession.

The Government's commitment to revive the infrastructure sector is vital for certain crucial projects and will have a strong multiplier effect on the construction and property sectors.

The Budget is based on a five-pronged strategy to revive and insulate the country's economy from the contagion of the regional financial crisis.

In brief, it is aimed at strengthening the resilience and competitiveness of the nation's economy, restructuring the financial sector and improving governance in the private and public sectors, strengthening the balance of payments and ensuring social well-being.

Malaysians are relieved to note that the economy is expected to grow by one per cent next year, depending on the speed of its recovery as well as other external factors.

According to the Prime Minister, although the economy will shrink by 4.8 per cent this year, the growth of one per cent in 1999 will denote a turnaround of 5.8 per cent.

The RM65 billion to be appropriated for the 1999 Budget - a 9.3 per cent reduction from this year's Budget - is made up of RM47 billion for operating expenditure and RM18 billion for development.

With next year's revenue estimated at RM47.1 billion, the Budget will register a deficit of RM16.6 billion.

An income tax waiver for 1999, cheaper home appliances, more attractive local tourism packages, tax incentives for sports and art complexes and tax exemptions on unit trust funds are some of the measures which will benefit the average Malaysian.

It is appropriate for the Government to continue giving emphasis to the development of human resources.

In this connection, I welcome the allocation of RM13.5 billion to provide and upgrade educational infrastructure and supporting facilities in line with Malaysia's desire to be a centre of excellence in education.

The health and medical services for all Malaysians should be given adequate attention with better facilities in government hospitals and clinics.

The proposed allocation of RM4.51 billion is a step in the right direction.

It is hoped that this allocation will lead to better medical facilities for the rakyat, many of whom are in the low-income group.

Housing for the poor and the low-income should be an important agenda for an elected Government.

The Government should leave no stone unturned in ensuring the building of low-cost houses for the deserving.

The RM783 million allocated for housing for public servants should be welcomed and I hope such quarters can be expedited to meet their housing

needs.

The Budget has also addressed environmental concerns and in this regard, I welcome the allocation of RM265 million to monitor environmental pollution and improve the environment.

Tackling our polluted rivers and improving air quality should be addressed with a sense of urgency by the authorities with the support of the public and non-governmental organisations.

One is also pleased to note that the agenda for a caring society will continue to be pursued.

The allocation of RM265 million to provide shelter homes for the needy, to construct and upgrade welfare homes and pursue other social activities is a step in the right direction.

While the removal of excise duty on a number of electrical goods is good for the consumers, I regret that import and excise duties on all personal protective equipment for workers in the interest of work safety have not been abolished.

While the Budget has generally been welcomed, what is essential is its smooth implementation with the help of a hardworking civil service fully committed to the nation's economic recovery.

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