

'Claims that Government refused to re-examine growth not true'

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THERE is no truth in the allegation that the Government had refused to re-examine the country's economic growth.

Finance Ministry parliamentary secretary Hashim Ismail said during the debate on this year's Budget that the Government had estimated the country's gross domestic product to expand at seven per cent this year, taking into account a possible slowdown in the US economy.

"However, the latest developments show dramatic changes, especially signs of a slowdown in the US economy," he said in a reply to Datuk Lau Ngan Siew (BN-Sandakan).

He said the latest estimates revealed that the US economy would grow at a slower rate of two per cent this year.

"Based on this, the country's

economic growth is expected to reach only five per cent compared to the seven per cent estimate during the tabling of the Budget," he said.

He said several immediate measures had been announced by Prime Minister Datuk Seri Dr Mahathir Mohamad on Tuesday to minimise the effects of the US slowdown on Malaysia.

This includes injecting an additional RM3 billion to the RM28.8 billion allocation for development this year.

New projects identified are the construction of single session schools, colleges and universities.

The Government will also build housing quarters for the army while major infrastructure and utility projects like the Bakun hydro-electric dam, Pu-

lau Bunting coal generator project and the Tanjung Pelepas port jetty will be built as soon as possible.

Other measures are to increase the people's spending power by reducing their EPF contributions, organising home ownership campaigns and changing guidelines of the Foreign Investors Committee in relation to foreign equities and property takeovers.

He said the Government would observe the supportive monetary policy to ensure that the private sector had access to various loans at reasonable rates.

Apart from that, he said efforts to increase economic growth would continue by looking for new resources in food production, tourism and transport.